

The Global Newspaper  
Printed Simultaneously  
in Paris, London, Zurich,  
Hong Kong, Singapore,  
The Hague and Marseille

# Herald Tribune

Published With The New York Times and The Washington Post

Algeria	4.08 Dhs.	Israel	15.17,000 Sh.	Norway	7.90 Nkr.
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No. 31,905

PARIS, WEDNESDAY, SEPTEMBER 18, 1985

ESTABLISHED 1887



The American actor Peter Falk, center, and Rome police with an unexploded grenade on the Via Veneto. Mr. Falk played a detective on the television program "Colombo."

## Grenade Attack at Café Injures 39 on Via Veneto

By Loren Jenkins  
Washington Post Service  
ROME — Thirty-nine persons were injured in a hand-grenade attack on a tourist café here and a Lebanese-born Palestinian was charged Tuesday in the incident. The blast occurred late Monday night in the Café de Paris, featured in Federico Fellini's film "La Dolce Vita" 25 years ago. Identifying the attacker as Ahmed Al Hussein Abu Sereya, the Rome police chief, Marcello Monarca, said, "For us, he is the man." The police reported Mr. Sereya running from the scene after a grenade, one of two thrown, exploded on the Via Veneto sidewalk in front of the crowded café. The second grenade, which did not explode, was set off by police explosives experts early Tuesday morning after the street had been sealed off. Rome's police said that Mr. Sereya was carrying a false Moroccan passport, and was apprehended after a half-mile chase through darkened streets.

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## Kohl Aide Defects, Suspected as Spy

By William Drozdiak  
Washington Post Service  
BONN — The West German government announced Tuesday that a secretary in Chancellor Helmut Kohl's office had defected to East Germany and is suspected of being a Communist agent. The secretary, Herta-Astrid Willner, 45, sent an express letter to the chancellery saying that she was resigning her job and taking refuge in East Berlin with her husband. The federal prosecutor's office opened an investigation against the couple on suspicion of espionage, according to Mr. Kohl's spokesman, Friedhelm Ost. Herbert Adolf Willner, 59, Mrs. Willner's husband, left East Germany in 1961 to settle in the West. He worked most recently as a senior official at a research institute linked to the liberal Free Democrat Party, which has participated in all coalition governments in Bonn since 1969.

In a letter to his employer sent from East Germany, Mr. Willner said he had defected because he feared imminent arrest for a "criminal offense against the security of the Federal Republic." The latest revelations marked the first time that Mr. Kohl's office had been directly implicated in the wave of defections and arrests that have shaken West Germany since early August. The chancellery's spokesman said that Mrs. Willner, who had worked in the chancellery since 1973, served as an assistant for Klaus König, a department head for domestic affairs. Mr. Ost acknowledged that the secretary could have seen sensitive reports on West Germany's nuclear program and the European high-technology program known as Eureka. But he denied that she had access to confidential papers regarding President Ronald Reagan's Strategic Defense Initiative or space defense program. Three secretaries already have been exposed as Communist agents in the continuing espionage crisis, considered the worst in West German history. One, Margarete Höke, was arrested and later confessed to passing secret information to East Germany for the past 18 years. She worked for the foreign and security affairs adviser of President Richard von Weizsäcker and enjoyed high-level clearance for classified papers. Meanwhile, Willy Brandt, chairman of the Social Democrats, is to visit East Germany on Wednesday for the first time since a spy scandal forced him to resign as chancellor in 1974.



South Africans Protest at School

A youth being carried away Tuesday after South African police fired rubber bullets and tear gas at hundreds of people demanding that mixed-race schools in the Cape Town area be reopened. Police earlier arrested 107 youths and 66 adults for trespassing on the grounds of the school in suburban Athlone.

## U.S. Diplomats, in Shift, Publicly Assail Pretoria

By Glenn Frankel  
Washington Post Service  
PRETORIA — In the week since President Ronald Reagan announced a modified policy of "active constructive engagement" with South Africa, U.S. diplomats here have mounted an unusual campaign to publicly criticize the domestic policies of a government long considered friendly to the United States. On Monday, a senior U.S. diplomat who would not allow his name to be used voiced strong "concern" to American journalists over misconduct by South African police and soldiers in black townships since the government declared a state of emergency in 36 cities and towns two months ago. U.S. Ambassadors Herman W. Nickel, returning Sept. 10 from a three-month recall to Washington, publicly challenged the white-minority government to move beyond words in dismantling apartheid. Since then, he has criticized new domestic initiatives in several interviews with local journalists. U.S. officials say the interviews and statements reflect a "higher public profile" adopted by diplomats to better communicate the Reagan administration's positions on South Africa, especially to the country's blacks. The purpose, officials said, is to correct the impression that the administration has been "winking at apartheid" through its policy of friendly persuasion known as "constructive engagement."

## New Assertions Blame France in Greenpeace Plot

By Joseph Fitchett  
International Herald Tribune  
PARIS — The French newspaper Le Monde said Tuesday that two French frogmen blew up the flagship of the Greenpeace anti-nuclear movement in New Zealand and escaped undetected. Defense Minister Charles Hernu or top French intelligence and military officers ordered or at least knew about the mission and participated in a cover-up, the paper reported. Mr. Hernu denied in a statement issued Tuesday night that orders had been given to any French military or intelligence agents to attack the ship. If confirmed, observers said, the disclosures in Le Monde would be a shattering embarrassment for France, amplifying anti-French sentiment in the South Pacific and rocking the Socialist government, which faces parliamentary elections in six months. Le Monde, citing government sources for elements of its article, indicated that some influential Socialists, worried about the potential for political damage to President François Mitterrand, wanted to resolve the Greenpeace scandal immediately, even if some high-ranking military officers and perhaps Mr. Hernu himself were dismissed. Two French intelligence officers are to be tried in New Zealand in November in connection with the explosion, in which a Greenpeace photographer died. The Le Monde report has strained French political solidarity that has coalesced around Mr. Mitterrand and his firm defense of nuclear policy. Conservative opposition politicians have avoided pressing the issue, but Jean-François Poncet, the foreign minister in the previous conservative government of Valéry Giscard d'Estaing, was quoted Tuesday as saying, "No minister has the right to mislead the president."

If Le Monde's report is true, he said, "this is not a matter for a resignation, but a case of treason." Le Monde has generally supported the Socialist Party but has recently shown renewed editorial independence. Its previous reporting on the Greenpeace affair has been generally cautious. In a separate report, Le Canard Enchaîné, a French satirical and investigative weekly, is to publish an account Wednesday similar to Le Monde's allegations. Mr. Mitterrand was not informed about possible French intelligence links to the Greenpeace explosion for a week after the July 10 explosion, Le Monde said, until he was alerted by Interior Minister Pierre Joxe. Mr. Joxe, who controls France's counterintelligence agency, is a militant Socialist known to be critical of the overall French foreign intelligence operations under the military and close Mitterrand advisers. Sources at Le Monde and Le Canard Enchaîné said that their information came partly from secret reports by Interior Ministry officials who have been working with New Zealand investigators. Suspicions of French involvement were bound to linger until a culprit was found for the Greenpeace explosion, Prime Minister Laurent Fabius acknowledged recently on television. Last month he accepted a report by Bernard Tricot, a senior civil servant, absolving the government of responsibility for the blast. But Mr. Fabius promised to punish any French person shown to be implicated in the explosion. Mr. Mitterrand said Sunday that the incident was "criminal, absurd and stupid." Asked about Mr. Tricot's findings, he said that the report (Continued on Page 2, Col. 5)

## Former Prime Minister Held in Thai Coup Plot

Compiled by Our Staff From Dispatches  
BANGKOK — Police arrested the former prime minister and three former top military officers Tuesday and charged them with treason in connection with the attempt last week to overthrow Thailand's elected government, the national police chief said. General Narong Mahanonda, the police chief, identified the four as Kriangsak Chavanan, prime minister from 1977 to 1980 and a former supreme commander of the armed forces; Krasae Intharatana, the former deputy supreme commander; Sorn Na Nakon, also a former armed forces supreme commander; and Yos Thephasadin, former deputy army commander in chief. Mr. Kriangsak, Mr. Sorn and Mr. Yos were with the rebels during the coup attempt but said at the time that they were to join the plot against their will. Mr. Kriangsak is leader of the National Democratic Party, one of four parties in Prime Minister Prem Tinsulanonda's coalition government. Mr. Prem succeeded Mr. Kriangsak as prime minister.



Kriangsak Chavanan

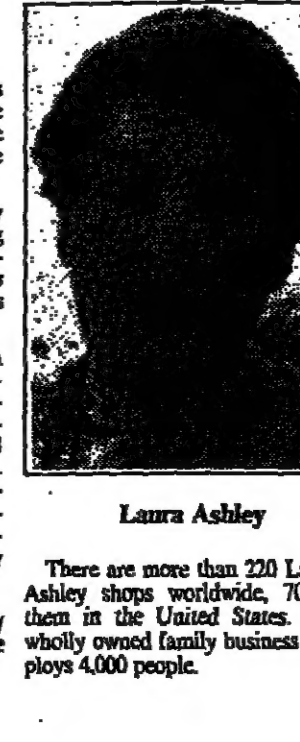
## U.S. Sets Summit Policy Positions On 4 Areas of Dispute With Soviet

By Gerald M. Boyd  
New York Times Service  
WASHINGTON — The Reagan administration has established policy positions in "every area" of disagreement with the Soviet Union, positions for use in talks at the November summit meeting, according to Robert C. McFarlane, the national security adviser. Mr. McFarlane, disclosing details of the administration's aims going into the talks, said Monday that positions had been developed on the four major areas expected to dominate the discussions in Geneva on Nov. 19-20. He said these areas were arms control, regional issues, matters between the two countries and human rights. Mr. McFarlane's comments came in a speech here to the Air Force Association devoted largely to relations between the United States and the Soviet Union. He said the United States had no "illusions" that the Soviet Union would change fundamentally and had accepted the fact that the two countries would be "engaged in an enduring competition of ideas."

Robert C. McFarlane

## Laura Ashley, Welsh Designer, Dies

By Reuters  
COVENTRY, England — Laura Ashley, 60, the Welsh designer who built a multimillion-dollar business based on traditional British prints and fabrics, died Tuesday, a hospital spokesman said. Mrs. Ashley, who made her home in Brussels, had been critically ill since a fall last week while staying in England. She never regained consciousness and died after nine days in a coma. A company spokesman said last week that her accident put into question whether the company would be listed on the London Stock Exchange next year as had been planned. Success of Country Look  
Suzanne Slesin of The New York Times reported earlier from New York: The Laura Ashley business was begun in 1953, when Mrs. Ashley and her husband, Bernard, using silk screens, started printing placemats and scarves on their kitchen table in the Fimlaco area of London. The business has expanded to wallpaper, clothes and furniture, and in 1984, company sales grossed \$130 million internationally. The firm designs, prints and sells fabrics, clothing, wallpapers and decorative accessories that have come to be synonymous with a simple, English country look. Small-scale prints, Victorian ruffled pinafores, old-fashioned smocks, feminine dresses and lacetrimmed nightgowns emphasized not only the Ashley's practical point of view but their down-home philosophy as well. Mrs. Ashley was born Laura Mountney in Merthyr Tydfil, Wales, on Sept. 7, 1925. She was married to Bernard Ashley in 1949.



## American Colleges Assailed on Creativity

By Keith B. Richburg  
Washington Post Service  
WASHINGTON — American colleges are producing uncreative graduates who leave campuses overburdened with debt, and with too little sense of civic responsibility, according to an unusually critical report from the Carnegie Foundation for the Advancement of Teaching. "Students too frequently sit passively in class, take safe courses, are discouraged from risky or interdisciplinary research projects and are discouraged from challenging the ideas presented to them," according to the report, "Higher Education and the American Resurgence." The report by Frank Newman, former president of the University of Rhode Island, called for a drastic overhaul of the U.S. system of higher education and the way students pay for it. It included a suggestion that the U.S. government curtail its huge loan program and make students perform community-service work in exchange for financial aid. The current system of saddling students with huge loan debts upon graduation discourages them from entering lower-paying, community service and public sector jobs, Mr. Newman said. "Excessive loans inadvertently undercut traditional values," wrote Mr. Newman, who is president of the Education Commission of the States. "Working one's way through college is a cherished American concept that conflicts head-on with 'Go now, pay later.'" Frank Newman  
U.S. educator



## In Sri Lanka, Violence Leaves Its Scars

### No Man's Land Separates Warring Ethnic Communities in North

By Allen Nacheman

Agence France-Press

KILINOCHCHI, Sri Lanka — A trip into northern Sri Lanka reveals a countryside scarred by Tamil separatist violence, police stations resembling fortresses and people fearful of attack from guerrillas or government troops.

A foreign journalist traveled by bus from Anuradhapura, the holy city of the Sinhalese majority in central Sri Lanka, to Vavuniya, a town on the rough demarcation line between the Sinhalese areas and the Tamil north.

The trip ended beyond Vavuniya, at Kilinochchi, 25 miles (40 kilometers) south of the Jaffna Peninsula, which has been the scene of some of the worst violence between Tamil guerrillas and the security forces.

A policeman at a roadblock displayed a copy of an official order barring foreigners from the far north.

Even without going as far as Jaffna, the main Tamil city at the

tip of the island, there are marks of the separatist violence, in which several hundred people have died in the last year. The violence has flared again since last month, when Indian-sponsored peace talks in Bhutan between the Tamil guerrillas and the Sri Lanka government collapsed.

The bus from Anuradhapura no longer goes all the way to Vavuniya. Passengers must walk the final four miles through a no-man's-land separating the two warring communities.

The road is strewn with pot-holes deep enough to bury a sack of blasting compound, the preferred weapon of Tamil guerrillas. Strung with wire to the surrounding jungle, the explosive can be detonated by a concealed insurgent as a bus or army truck passes.

In Vavuniya, once a bustling market town, stand the shells of shops and hotels bombed or burned out in the ethnic violence, which also pits civilians from the

rival communities, the Buddhist Sinhalese and the Hindu Tamils, against each other.

During the four-hour bus trip to Jaffna, young Tamil men speak quietly about planned attacks and rising violence in the north, but conversation stops at the frequent police checkpoints.

Police stations along the way look like armed outposts in enemy territory, surrounded by barbed wire and sandbag barricades, and interspersed with machine-gun emplacements.

"The police here do not protect the people," a passenger said. "They protect themselves."

Police stations and army posts are favorite targets of the Tamil guerrillas, who want a separate state in Sri Lanka's northern and eastern provinces.

The journey was interrupted at the roadblock at Kilinochchi, where a police sergeant called the journalist aside and flagged down a southbound truck.

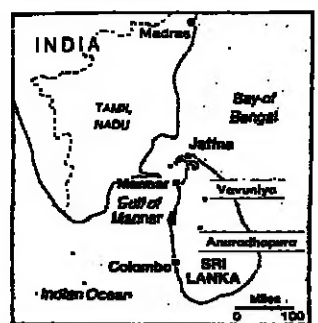
"Things will soon be happening up there which we do not want you to see," he said. "Why don't you just get in this lorry and go back to Colombo? The government will give you the news. They will put things in proper perspective."

**Gandhi Asked to Help**

Tamil guerrillas asked Prime Minister Rajiv Gandhi of India on Tuesday to use his influence with the Sri Lankan government to halt alleged massacres of Tamil civilians by security forces, The Associated Press reported from New Delhi.

V. Balakumar, a spokesman for the Eelam National Liberation Front, told Indian news organizations that the request was made during a meeting as part of a new Indian effort to revive talks to end the three years of strife.

The meeting was held amid reports of fresh fighting between Sri Lankan forces and Tamil insurgents.



In Madras, a southern Indian Tamil stronghold, the guerrilla organization contended that 140 Tamil civilians, most of them women and children, had been massacred Monday night by Sri Lankan forces near Trincomalee.

In Sri Lanka, security sources said that 46 Tamils described as guerrilla fighters had been killed Sunday in two separate raids in the Trincomalee area. A government spokesman confirmed only one raid in the area Sunday and placed the Tamil death toll at 20.

Throughout the Indian-arranged cease-fire, which is to expire Wednesday, security forces and Tamil rebels have continued operations against each other.

## Raid on Angola Revives Issue of Cuban Presence

By Alan Cowell

New York Times Service

JOHANNESBURG — With its raid into southern Angola, South Africa seems to have revived an issue that lately has been eclipsed by its own domestic turmoil: the continued presence of Cuban troops in Angola.

At the same time, the attack Monday appears to have rein-

### NEWS ANALYSIS

forced the feeling of many commentators here that a resolution of the issue, which once absorbed much of Washington's attention, is as remote as ever.

The Cubans first went to Angola during the civil war of 1975-76 to ensure the victory of the Popular Movement for the Liberation of Angola against two other Angolan factions supported variously by China, the CIA and South Africa.

Only one of those rival groups, the National Union for the Total Independence of Angola, led by Jonas Savimbi, has survived, sustained by South Africa in a "liberated area" in southeast Angola.

Pretoria's continued support for that movement, and invasions such as the one launched Monday, are cited by Angola's avowed Marxist leadership as prime reasons for needing the protection of Cuban troops, whose numbers are estimated at more than 25,000.

But there are other factors, aside from the Cubans, that may bode ill for the Reagan administration's policy of "constructive engagement," which is intended to build regional peace while coaxing President Pieter W. Botha toward a repeal of apartheid.

For one thing, the raid demonstrated South Africa's commitment to maintain security in areas that it considers part of its fiefdom, and its disregard for the opinions of outsiders.

The raid was depicted in Johannesburg as an effort to pursue guerrillas of the South-West Africa People's Organization, the Soviet-armed movement that is challenging South Africa's control of South-West Africa, also known as Namibia.

Moreover, efforts to build a regional peace appear to have foundered not only in Angola, but elsewhere.

On March 16, 1984, South Africa signed a U.S.-brokered nonaggression pact with Mozambique that

was supposed to end a Pretoria-backed insurgency in the former Portuguese colony. But the war there has since widened, with thousands of Zimbabwean soldiers who support President Samora Machel fighting an amorphous rebel army called the Mozambique National Resistance.

Mr. Machel, an avowed Marxist, is to meet Thursday with President Ronald Reagan in Washington.

By signing an agreement that cut the infiltration of the African National Congress into South Africa, Mr. Machel turned his back on his Soviet allies and risked the contempt of his fellow black Africans. He seems certain to ask Washington about his recompense.

In southern Africa's tangle of conflicting movements, the issues are rarely free of complexity. The Angolan authorities play host to SWAPO while Mr. Savimbi's guerrillas, with South African supplies, seek to force negotiations that will end the ruling party's dominance of Angola.

The United States sought to bring about a Cuban withdrawal from Angola in return for South African acceptance of a UN formula for the independence of South-West Africa. Mr. Savimbi's potential role has remained unclear, but U.S. officials say it will be difficult



Jonas Savimbi

to secure an overall peace without him.

Last November, Angola offered a partial withdrawal and redeployment of the Cuban troops. But South Africa, while avowing its commitment to the UN plan, wanted a total withdrawal.

In May, after South African commandos attacked Angola's oil-producing northern enclave of Cabinda, Angola broke off negotiations, and South Africa said it was "no longer sure" that the settlement proposed by the United States was workable.

On June 17, South Africa installed a new surrogate administration in South-West Africa, reinforcing the suggestion that it was still intent on molding the territory's political future.

## Former Prime Minister Held in Thai Coup Plot

(Continued from Page 1)

tive coup against Mr. Prem's government in 1981.

Colonel Manoon and his brother, Manas, an air force wing commander, surrendered the day of the coup and were allowed to fly out of the country to Singapore. Colonel Manoon was last reported to have flown to Western Europe to seek asylum.

If the four former generals arrested Tuesday are found guilty of treason, they could face a penalty of execution or life imprisonment. General Narong said that all except Mr. Yos, who is under police guard at a hospital where he is recovering from an illness, were being detained by the police.

General Narong said warrants had been issued for the arrest of 25 of the 33 persons suspected of involvement in the coup attempt. A government source said most of those named were former or current military officers.

The source, who declined to be named, said the warrants were issued at midnight Monday, at the close of an extraordinary parliamentary session on the next fiscal year's budget. Several of those alleged to be part of the coup, including Mr. Kriangsak and Mr. Sern, are senators who are immune from prosecution while Parliament is in session.

Five persons, including an American and an Australian employed by a U.S. television network, were killed, and 60 injured in the coup attempt. As many as 500 soldiers and air force men took part in the attempt, which collapsed in the face of strong opposition from key military supporters of Mr. Prem.

The resignation of Mr. Ob and his two deputies, Prayote Neungchamrong and Wongse Polmikhorn, who are also leaders of the National Democratic Party, would remove all of the party's ministers from the coalition government elected in April 1983.

Others linked to the coup attempt who were seen reporting to police investigators Tuesday were Ahamed Kametong and Sawat Lookdod, former top labor leaders; Issara Ngamroki, leader of the union at the Mass Transportation Authority; and two army sergeants who were aides to Colonel Manoon, the alleged leader of the coup plot. (AP, AFP, Reuters)

### Shevardnadze Heads for U.S.

MOSCOW — Foreign Minister Eduard A. Shevardnadze left Moscow on Tuesday for the United Nations General Assembly, the Tass news agency said.

Mr. Shevardnadze is expected to arrive in New York on Wednesday.

He will be accompanied by a large delegation of Soviet officials.

Mr. Shevardnadze is expected to meet with U.S. Secretary of State George Shultz and other top U.S. officials.

He will also meet with Soviet officials from other countries.

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## Soviet Likely To Expel More Britons In Spy Crisis

Reuters

MOSCOW — The Kremlin is expected to expel more Britons from Moscow, following London's decision to order out six further Soviet personnel on spying charges, official Soviet sources said Tuesday.

The sources, who declined to be identified, blamed Britain for starting the expulsions that began with the eviction of 25 Soviet officials and journalists on Thursday.

The Kremlin responded by expelling 25 Britons and the Soviet sources said that Moscow would continue to meet British actions one-for-one.

In 1971, when Britain expelled 105 Soviet personnel, Moscow expelled only 18 Britons.

"Times have changed since then," one of the sources said. "Britain wants to name another 25, then five, we will name another 25."

Western diplomats in Moscow said that the tough Soviet stand, with its implicit challenge of a showdown with London, was clearly the work of the country's new leader, Mikhail S. Gorbachev.

The defense spokesman for Britain's opposition Labor Party, Denis Davies, is due to hold talks with top Soviet officials on Wednesday. Reports from London that could not be confirmed in Moscow said Mr. Davies would be received by Mr. Gorbachev on Wednesday.

A team of business leaders from Scotland continued Tuesday a round of meetings with Soviet officials, receiving a normal welcome.

The British foreign secretary, Sir Geoffrey Howe, is scheduled to have talks in New York on Monday with the Soviet foreign minister, Eduard A. Shevardnadze, coinciding with the opening session of the United Nations General Assembly.

Mr. Howe and Prime Minister Margaret Thatcher said they hoped to end the series of expulsions after Monday's announcement that Britain was ordering out six more Russians.

The Foreign Office said that Mr. Howe viewed the meeting with Mr. Shevardnadze as important.

"We certainly want the meeting to take place," a spokesman said. He said the two would well discuss the espionage affair and ways of trying to improve relations. However, he ruled out any dramatic conciliatory offers.

"The government's not going to leap into action to try and suggest that the expulsions don't mean anything," he said.

## WORLD BRIEFS

### Soviet Is Said to Deploy More SS-20s

BRUSSELS (AP) — The number of Soviet medium-range SS-20 nuclear missiles deployed has risen to 441, a senior U.S. official said Tuesday. The figure compared with a deployment of 134 U.S.-made cruise and Pershing-2 missiles in four West European nations.

H. Allen Holmes, the State Department's director of political and military affairs, said that "the current Soviet SS-20 force has grown to 441." The figure is an increase of 18 since June 28, when NATO said that allied intelligence officials had concluded that Moscow had deployed 423 missiles with triple warheads.

On June 1, 1984 — when Moscow had installed 378 SS-20 missiles, according to NATO — the Dutch prime minister, Ruud Lubbers, said that his government would deploy cruise missiles if the number of deployed SS-20s continued to rise.

### Russia Sends 3 More Men to Salyut-7

MOSCOW (Reuters) — The Soviet Union launched a spacecraft Tuesday carrying three cosmonauts into orbit to join the Salyut-7 space station. Tass said.

The news agency said that the commander, Vladimir Vasyutin, the pilot, Georgi Grechko, and a researcher, Alexander Volkov, were making the ninth manned mission to the Salyut-7 station since the complex was sent into space in April 1982.

It said the three cosmonauts would carry out scientific and technical studies on Salyut-7 with Vladimir Dzhanibekov and Viktor Savinykh, who were sent to the station June 6 on a mission during which they made repairs to it.

### Nicaraguan Indians Get Aid in Europe

SAN JOSE, Costa Rica (NYT) — Brooklyn Rivera, a leader of Miskito Indian rebels in Nicaragua, says that organizations in Europe have pledged substantial amounts of aid to his cause.

Mr. Rivera, who recently returned from a trip to eight European countries, said he had obtained financial commitments that could total \$50,000 monthly. He said he had agreed not to disclose the sources of the money because most of it came from private organizations and quasi-governmental agencies that publicly support the Sandinist government. The money, Mr. Rivera said, would not be used to buy weapons.

He expressed hope that his talks with Sandinist leaders, which collapsed in May, would resume before the end of the year. Interior Minister Tomas Borge Martinez, who oversees government policy toward the Miskitos, has said he is willing to resume the talks.

### U.S. Warns India on Atom Arms Race

NEW DELHI (UPI) — Senior U.S. officials urged Prime Minister Rajiv Gandhi of India on Tuesday to consider "regional initiatives" to avoid a nuclear arms race with Pakistan.

Michael H. Armacost, a U.S. undersecretary of state, and Donald R. Fortier, deputy assistant to President Ronald Reagan and a member of the National Security Council, suggested the regional solution during a discussion of "South Asian nuclear developments," a U.S. Embassy statement said.

Mr. Armacost and Mr. Fortier flew later to Islamabad to meet senior Pakistani leaders for talks on relations with India and prospects for a political solution to the conflict in Afghanistan.

### Syria-Jordan Rapprochement Seen

JEDDAH (Reuters) — Syria and Jordan have agreed during reconciliation talks here on steps to improve relations, strained by political and ideological disputes, Saudi Arabia's crown prince, Abdullah bin Abdulaziz, said Tuesday.

The prince, quoted by the Saudi Press Agency, said agreement was reached during two rounds of discussions that ended Tuesday between Prime Ministers Abdul Raouf al-Kasbi of Syria and Zeid Rifa'i of Jordan. "Both sides have agreed upon a number of steps to create a suitable atmosphere to develop relations between the two countries and open the door for more rapprochement and cooperation," Prince Abdullah said.

### Kabul Rebels Say Soviet Officer Killed

ISLAMABAD, Pakistan (Reuters) — Afghan rebels shot down a helicopter gunship Tuesday carrying an Afghan major general and brigadier and a Soviet officer believed to have been a general, a leading guerrilla party said.

All eight men aboard the Mi-24 helicopter gunship were killed when it crashed near a large rebel center in Pakia province on the border with Pakistan, the Hezb-i Islami party of Mawlawi Yunus Khalis said.

According to a party statement, an Afghan Army defector said that the helicopter was bringing a Soviet and Afghan delegation from Kabul to a temporary garrison near Lezha, six miles (10 kilometers) inside Afghanistan. The defector was quoted as saying that a Soviet officer aboard was addressed by others as general.

### For the Record

All flights to, from and over France are expected to be canceled or delayed Wednesday and Thursday because of a strike by air traffic controllers. (AP)

Gary Kasparov took a timeout Tuesday in his chess title match with the world champion Anatoli Karpov in Moscow, postponing the sixth game until Thursday. Mr. Karpov leads, 3-2. (AP)

Parts of western Uganda have been cut off from the capital because of an escalation in guerrilla activity, travelers and transport officials said Tuesday. (UPI)

## Le Monde Accuses Paris of Covering Up Ship Blast

(Continued from Page 1)

port was "not my business, but I have read it... without broadcasting my opinion of it."

His comments were interpreted as an attempt to distance himself from the Triton findings.

The actual saboteurs' role, Le Monde said, was concealed from Mr. Triton, probably by Mr. Hama and certainly by General Jeannotte Lacaze, France's chief of staff at the time, and General Jean Saulnier, then military chief of staff in Mr. Mitterrand's office. Since then, General Lacaze has succeeded General Hama as chief of staff in a move that had long been planned.

Although the article in Le Monde does not answer all the puzzling aspects of the case — for example, why French spies would leave French-made equipment at the scene of their sabotage operation — it seemed certain to revive press investigations of France's main foreign intelligence service.

the General Directorate of External Security, known as DGSE.

Mr. Hama, one of the Socialists' most popular cabinet ministers, is the official most directly threatened by the Le Monde report.

Specialists knowledgeable about France's security services generally shared the view of one of them who said that "it would be unthinkable" for French intelligence officers to undertake action affecting nuclear affairs without authorization from Mr. Hama and close advisers to Mr. Mitterrand.

As reconstructed by Le Monde, the operation in New Zealand was commanded by Major Louis-Pierre Dillias, chief of a frogman unit based in Corsica that often is used on espionage missions by the security directorate.

The demolition charges, it said, were brought to New Zealand by a team of the directorate's agents on a yacht, the Ouvea, and handed over to a second team of French

agents, Dominique Prieur and Alain Mafart.

The charges were then passed to a third French team, the two still unidentified frogmen. Each then attached one charge — resembling a limpet mine — to the hull of the Greenpeace ship, the Rainbow Warrior, Le Monde said.

The crew of the Ouvea escaped. After being questioned by Mr. Triton, they surrendered to the French police and were released. The second team, Mrs. Prieur and Mr. Mafart, were arrested after the explosion in Auckland harbor and are awaiting trial.

The existence of the third team was concealed from Mr. Triton, according to Le Monde.

Le Canard Enchaîné was expected to report that the third team came from another intelligence service directly concerned with protecting France's nuclear-test program in Polynesia.

### U.S. Sets Summit Positions On 4 Areas of Disagreement

(Continued from Page 1)

ministration's positions had been developed at Mr. Reagan's urging. He said Mr. Reagan was eager to "listen to specific, concrete Soviet proposals" and to meet Moscow "more than halfway" at the meeting.

In discussing the summit meeting, the national security adviser mentioned several differences between the two countries and then added, "The president sees this meeting, however, as an opportunity, an occasion on which we may see the Soviet leadership more open to change."

Mr. McFarlane said that the American positions on arms control were a "concrete, specific, detailed, flexible way through which we can reach lower levels of arms."

He said there was a similar approach on the other three areas.

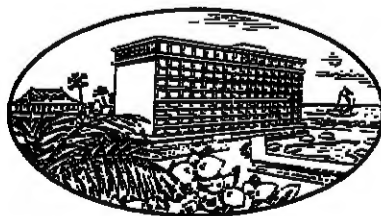
**Karpov Blames U.S.**  
Viktor P. Karpov, the chief Soviet arms negotiator, arrived Tuesday in Geneva and blamed the United States for making an agreement on limiting nuclear and space arms "impossible," The Associated Press reported.

But Mr. Karpov pledged "every possible effort" toward an agreement "if our negotiating partners display readiness to seek mutually acceptable solutions."

The chief U.S. delegate, Max Kampelman, had arrived Monday for the third round of talks. He said his delegation is ready for agreement if the Soviet Union will turn recent public statements into specific proposals.

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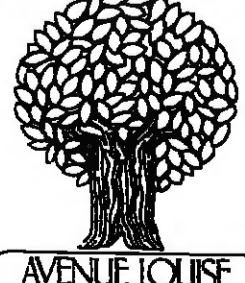


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## U.S. Colleges Are Assailed On Creativity

(Continued from Page 1)

\$10 million to promote high standards in U.S. education.

Some of the report's suggestions will be discussed for possible implementation on campuses when 100 university and college presidents meet in Cambridge, Massachusetts, next month.

That group is expected to draft a joint statement emphasizing that students must become involved in their communities as a key facet of their college life.

The report, while insisting that U.S. higher education still is the best in the world, attacks the hierarchical structure of the American college, in which professors often lecture in large halls to students expected to take notes and repeat the professor's words in an examination.

Such a system, according to the report, aptly prepared students for work in the old-style corporate world. But the new world of business, in a highly competitive international economy, requires workers who can think creatively to solve problems outside of a formal management structure.

"Much attention has been focused on whether higher education is graduating a large enough pool of technically trained manpower to meet the needs of an advanced technological society," the report said in one of its summaries.

"A more urgent question is whether graduates, in all fields, have the ability to be innovative, the will to take the necessary risks, the capacity for civic responsibility and the sensitivity to the international nature of the world to be effective in today's society," it added.

On another topic, the report emphasized the need to improve minority participation in higher education by creating a National Opportunity Fund to support grants for disadvantaged students.

Recent studies and informal surveys have shown that minority enrollment on college campuses has declined since the 1970s.

The report is the result of a two-year study by Mr. Newman, a member of the Carnegie board of trustees.

## AMERICAN TOPICS



**ASBESTOS HAZARD** — A demolition worker wearing a protective suit prepares to bulldoze a 17-acre mobile home park in Globe, Arizona, that has been contaminated by chrysotile, a type of asbestos. The mobile homes have not been occupied for two years.

### Maybe the Passengers Could Practice, Too

When the alarm went off, 231 people poured from a Boeing 757 jetliner in 32.9 seconds — well within the Federal Aviation Administration rule that no strider can be certified unless all its passengers can get out in 90 seconds.

The test was run by Boeing last fall. A company spokesman said, "We feel we have complied with FAA requirements." Others weren't so sure. The Washington Post reports. Most of the "passengers" were Boeing employees. They had been practicing the emergency evacuation for three days.

In the test, there was no smoke, no fire, no fear of death. There were no people over the age of 60 nor any children. Everybody was cold sober.

Representative Newt Gingrich of Georgia, the ranking Republican on the House Public Works and Transportation subcommittee on investigations and oversight, said that such tests are "just totally out of touch with the real world."

### Short Takes

With more jobs opening to women, the Fuller Brush Co. is having trouble finding door-to-door salespeople, mostly women, these days. And with so many women in the work force, its

sales force finds fewer wives at home. The company now is experimenting with mail-order catalogs.

The excursion boat largely disappeared from American rivers with the growth of superhighways and foreign travel but is making a strong comeback. The Hudson River now has champagne, sunset, gourmet and moonlight cruises, trips to light-houses, floating lecture tours on history and ecology and outings to West Point football games. The National Association of Passenger Vessel Owners attributes the resurgence to "the towns and cities refurbishing their waterfronts," arousing a longing among strollers to go for a boat ride.

The National Interest, describing itself as a neoconservative quarterly on foreign affairs, will make its debut next month. Its editors say it will occupy the same position on the right that Foreign Policy takes on the left, with Foreign Affairs occupying the center. Irving Kristol, the neoconservative advocate, is publisher, and the advisory board includes Jeanne I. Kirkpatrick, the former chief U.S. representative to the United Nations; Midge Decter, the writer; Charles Krauthammer, the journalist; and Henry A. Kissinger, who needs no introduction.

Shorter Takes: Cellular tele-

phones have been installed on airplanes, and now Seattle is pioneering their use on buses and ferries. Amtrak plans to put them on its Washington-New York run. ... Personal-injury cases take an average 317 days to resolve in Phoenix, Arizona, but fully 721 days in Detroit, according to the National Center for State Courts. Criminal cases last from 62 days in Portland, Oregon, to 253 days in Newark, New Jersey.

### Montana Pet Officer: Take a Grizzly Home

Montana says it has 15 surplus grizzly bears, but is having trouble finding other states willing to take them. As a threatened species, they cannot legally be shot. Other Western states noted that introducing predators into sheep and cattle country would be like inviting the plague.

Alaska asked if Montana would like to trade "Alaskan wolves for Montana bears," adding: "Presumably such an exchange would be on a pound per pound basis."

A Nebraska wildlife official wrote that the state already had its quota of grizzlies in the persons of 160 state legislators, who could be "vicious" and "short-sighted" and who had been found to "make terrible pets."

—Compiled by ARTHUR HIGBEE

## Oregon Guru Accuses His Followers

By Peter H. King  
Los Angeles Times Service

RAJNEESH PURAM, Oregon — Bhagwan Shree Rajneesh, the Indian guru, has accused a small group of his top followers of creating a "fascist state" at his desert commune here. He also alleged that they had attempted killings, bugged telephones, drove the commune \$55 million in debt and absconded with communal funds.

Mr. Rajneesh did not give specific information to support his allegations, and none of those accused by him could be reached for comment.

He said Monday that he was cooperating with local police of the suspected whereabouts of at least seven persons who, until Saturday, formed the hierarchy of his international religious organization at his commune, Rajneeshpuram.

"It seems these people would have even killed me, because my silence was favorable to them and my absence would have been more favorable," Mr. Rajneesh said.

The accusations, which Mr. Rajneesh said were based on information from other followers during the previous two days, were made Monday night at press conference. Nearly all of the approximately 2,000 commune residents were present.

Most of his allegations were aimed at Ma Anand Sheela, 35, the woman who was president of Rajneesh Foundation International. During the guru's three-year vow of silence, she was the only one to speak with him and relay his wishes to his followers.

Mr. Rajneesh said that he learned Monday that Miss Sheela had gone to Switzerland and had been keeping a Swiss bank account. He said that he believed that account contained part of the \$55 million representing the commune's newly uncovered indebtedness.

He also accused the seven former leaders with involvement in a widespread outbreak of salmonella last year in The Dalles, a nearby city, and an arson that badly damaged the Wasco County planning office.

[The Oregon state attorney general, Dave Frohnmayer, said he had seen no evidence connecting any of the Rajneeshes with the two incidents. The Associated Press reported.]

[John Williams, superintendent of the Oregon State Police, said his officers were investigating some of the charges, but he would not elaborate.]

Mr. Rajneesh said that Miss Sheela, as his personal secretary, had become addicted to the power and fame she had attained during his silence.

[Ma Prem Isabel, director of the commune's press bureau, told AP: "It is a big lesson for us. We are all looking at what power does to us. People feel shocked and cheated somehow."]

[Miss Sheela was believed to be in West Germany or Switzerland.]

said Miss Isabel and Ma Prem Sushma, another spokeswoman.]

Mr. Rajneesh, 53, moved his commune from India in 1981, reestablishing it on the site of a former cattle ranch he bought in Central Oregon about 160 miles (255 kilometers) east of Portland.

He is frequently referred to as a "free-sex guru" for urging his followers to reject society's sexual mores.

Mr. Rajneesh said Monday that he was displeased with his followers' takeover of the small town of Antelope, now called Rajneesh, about 20 miles north of the commune. He offered to let the townspeople buy back their community.



Bhagwan Shree Rajneesh

## Supercomputer Finds a Supernumber

### 65,050-Digit Prime Would Cover 2 Newspaper Pages

By Lee Dembart  
Los Angeles Times Service

LOS ANGELES — Scientists in Houston testing a supercomputer have stumbled onto the largest prime number ever discovered. It is the number 2 raised to the 216,091st power minus 1, which contains 65,050 digits and would fill two pages if printed in a standard-sized newspaper.

Prime numbers are numbers that have no divisors other than themselves and 1. For example, 13 is prime, but 14, which is the product of 2 and 7, is not. The ancient Greeks knew that there is an infinite number of primes, but no one has ever come up with a formula for generating them.

While there is no known practical use for 65,000-digit prime numbers, the method that finds them requires trillions of calculations and is therefore a useful test of the reliability of large supercomputers. It also has engendered an informal competition among supercomputer manufacturers for recognition as the fastest machines on the market.

The fastest a computer is, the larger the numbers it can test.

The latest prime was discovered within the last few weeks on a Cray X-MP supercomputer that was being tested by Chevron Geosciences Co. in Houston. Chevron's scientists plan to use the machine, which cost more than \$10 million, to analyze geological data in exploring for oil.

scientists at Chevron ran a special program that checks large numbers to determine if they are so-called Mersenne primes.

Mersenne primes were named for Marin Mersenne, a 17th-century French monk who investigated them. They take the form 2 raised to a prime power minus 1. The first three Mersenne primes are 3 (2 to the 2d power minus 1), 7 (2 to the 3d power minus 1) and 31 (2 to the 5th power minus 1).

The Mersenne prime found at Chevron used a program written by David Slowinski of Cray Research Inc. of Chippewa Falls, Wisconsin. The previous largest Mersenne prime, the 29th, was 2 to the 132,049th power minus 1, a number with 39,751 digits. It was found in 1983 by Mr. Slowinski.

Because the testing of possible Mersenne primes is not being done systematically, there is no guarantee that all of the numbers between 132,049, and the previous high found in 1983, and 216,091 have been checked. It is possible that there are other Mersenne primes in between. People who want to test a new computer sometimes enter at a region they think may be promising.

"Anyone who is doing it is doing it for his own amusement," said Mr. Slowinski. "It's not a coordinated effort like a steam engine pulling a train up a mountain. It's more like dozens of little rowboats on a lake."

To test the machine, computer

## U.S. Tones Down Version of Detention By Soviet of Soldiers in East Germany

By Bernard Gwertzman  
New York Times Service

WASHINGTON — The U.S. Defense and State departments have toned down the Reagan administration's original description of the Soviet detention of a U.S. Army vehicle in East Germany, an episode that was divulged Sunday by Defense Secretary Caspar W. Weinberger.

Spokesmen for the two agencies, while repeating Monday that the United States had protested to the Russians over the Sept. 7 incident, said that the army vehicle had first got stuck near a Soviet communications installation, then became ensnared in some Soviet barbed wire off the side of the road.

Later, a Soviet truck speeding down the road "grazed" the vehicle, said Robert S. Sims, a Pentagon spokesman.

It was only after that happened that Russians who were in the truck prevented the two Americans attached to the military liaison mission in East Germany from leaving their vehicle until a senior officer arrived.

Mr. Weinberger, disclosing the incident Sunday for the first time while appearing on a television news program, said that the Soviet troops had deliberately bumped the vehicle to stop it.

He added, indicating mistakenly that there was only one person in the vehicle, that when "he attempted to get out to fix the truck, they pushed him back into the truck and held him at gunpoint, detained him for nearly nine hours, and generally behaved in the same way in which they did in the incident in which Major Nicholson was killed and murdered."

Major Arthur D. Nicholson Jr., an American liaison team member, was killed in March by a Soviet soldier on a reconnaissance patrol in East Germany.

Mr. Sims avoided saying Monday that the military liaison members were held at gunpoint, but said that the vehicle was surrounded by several Soviet soldiers whose rifles had been "unslung." There was no confirmation that the army personnel were pushed back into their vehicle.

Both the State and Defense departments said the Russians telephoned the American military mis-

sion in Potsdam, East Germany, to tell it that an incident had occurred and assured the Americans at the mission that the problem was under control.

At the State Department, some officials gave unofficial criticism of the way Mr. Weinberger dramatized the incident. One European expert said the case did not differ that much from past cases of harassment by both sides. The Nicholson case was unusual because, he said, in the 40 years of postwar divided Germany no American or Russian had been killed carrying out these reconnaissance missions.

## Duarte Abductors Reported To Want Prisoner Release

Los Angeles Times Service

SAN SALVADOR — Salvadoran guerrillas claiming to hold the daughter of President Jose Napoleon Duarte have contacted the Salvadoran government and demanded the release of political prisoners in exchange for her safe return, according to Salvadoran and diplomatic sources.

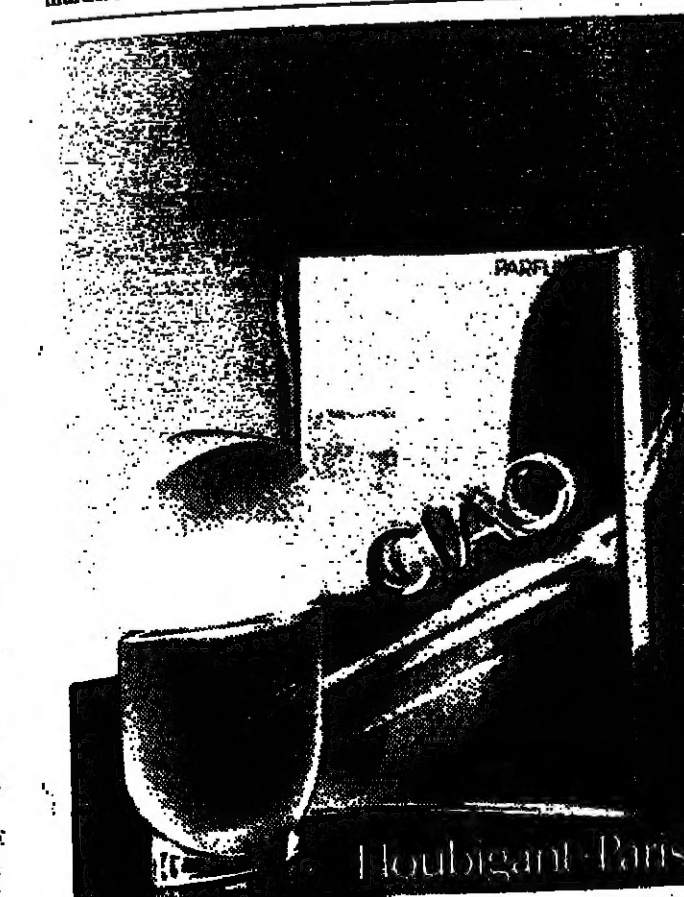
The sources, who declined to be identified by name or organization, said that the abductors said they were from the Pedro Pablo Castillo Front and represent all prisoners from the Farabundo Marti National Liberation Front, the umbrella rebel organization, now held in government jails.

Rebel spokesmen in Mexico, Nicaragua and Costa Rica, however, said that they had never heard

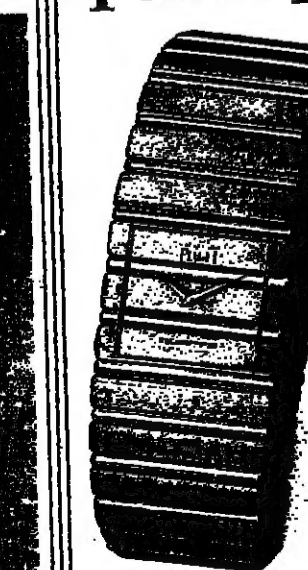
of the Pedro Pablo Castillo Front and did not know who had kidnapped Ines Guadalupe Duarte Duran.

Mrs. Duarte Duran, 35, and a woman friend were abducted by gunmen last Tuesday afternoon outside a university in San Salvador.

Communications Minister Julio Rey Prendes and Deputy Foreign Minister Ricardo Acevedo returned from Mexico late Monday after allegedly trying to make further contact with representatives of the abductors, but they could not be reached for comment.



PIAGET



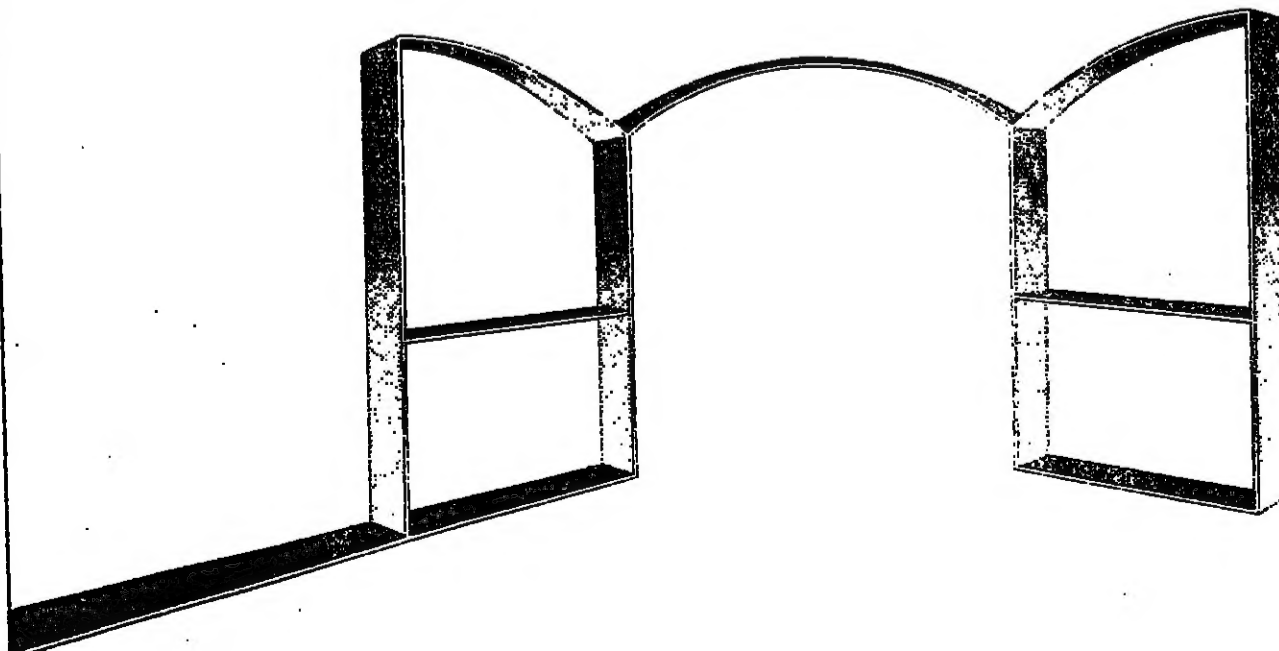
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## Anti-Communists Convene in Dallas

Rightist Fighters, Followers and Funders Get Together

By Charles R. Babcock  
Washington Post Service

DALLAS — There were fighters representing several armed insurgencies, wealthy Texans, representatives of Soldier of Fortune magazine and the Reverend Sun Myung Moon, and ultrarightist politicians from Guatemala and Paraguay, all rubbing shoulders in a new luxury hotel in North Dallas.

The occasion was last week's 18th annual conference of the World Anti-Communist League, which was founded by the governments of Taiwan and South Korea.

The four-day conference ended with an "International Freedom Fighters Dinner." There were greetings from President Ronald Reagan, "Freedom Fighter of the Year" medals for insurgents from Nicaragua and Afghanistan and a special citation for a Dallas woman who gave \$65,000 toward a helicopter for the Nicaraguan guerrilla movement. A bust of Mr. Reagan was unveiled, made by a Cambodian who had dreamed that "he would meet an old white man who would help" his country's resistance movement.

"I commend you all for your part in this noble cause," Mr. Reagan's letter read. "Our combined efforts are moving the tide of history toward world freedom."

Representatives of eight anti-Marxist resistance movements attended, but most of the attention was focused on the Nicaraguans, led by Adolfo Calero Portocarrero, president of the Nicaraguan Democratic Force, and the group's military commander, Enrique Bermudez.

Also in the spotlight was the league's chairman, John K. Singlaub, a U.S. Army major general who retired after clashing with

President Jimmy Carter. General Singlaub had criticized Mr. Carter's proposed withdrawal of U.S. troops from South Korea in the late 1970s.

During the past year, General Singlaub has been active in raising private funds to help Nicaraguan guerrillas opposed to the leftist Sandinista government in Managua. Ellen Garwood, who helped pay for the helicopter, said: "God, in his mysterious way, has put General Singlaub in communism's way, and the general is saying, 'They shall not pass.'"

The gathering featured moments of genuine emotion and impassioned rhetoric. A woman representing resistance forces in Mozambique said she was upset that Mr. Reagan was scheduled to meet and "shake the bloody hand" of the Marxist leader of Mozambique, Samora Machel.

Dr. Haing S. Ngor, who played the Cambodian reporter in the movie "The Killing Fields," said that the genocide of his people by the Communists was too grisly to be portrayed on film "because no one could stand to watch it."

The medal winners, an Afghan fighter who had lost a hand to a Soviet mine and a Nicaraguan who had lost a leg told their stories many times.

Assembled resistance leaders had many opportunities to make public relations points. Mr. Calero, for instance, said several times that the Nicaraguan medal winner, Hubert R. Rodriguez, known as Sierra Three, lost his leg only after a flesh wound became infected because the guerrillas had no medical-evacuation helicopters.

The U.S. Congress has approved \$27 million in humanitarian aid for the rebels, but none is to be used

for helicopters. General Singlaub said he has agreed, therefore, to try raising new private aid for trucks and helicopters for the Nicaraguans.

There were undercurrents of controversy as well at the meeting. Tom Posey, of Civilian Military Assistance, who said he was at the convention as an "observer," said that too many groups were trying to take credit for aiding the Nicaraguan guerrillas.

"We don't have to preach to the choir," he said of his Alabama group that has worked in jungle hospitals in Central America. "We're the infantry troops. We're the doers."

Dr. Woo Jae Seung, the league's secretary-general from South Korea, and General Singlaub said they did not know that Mario Sandoval Alarcón of Guatemala had been invited to the conference. Mr. Sandoval is a presidential candidate of the National Liberation Movement, which has described itself as the "party of organized violence."

The South American chapter in which Mr. Sandoval was active was expelled a few years ago because its members made anti-Semitic and pro-Nazi statements. General Singlaub said he assumed the new chapter had cleared Mr. Sandoval to attend.

The delegates wrapped up their work with a joint communiqué supporting anti-Marxist insurgencies worldwide.

Several representatives of the resistance groups said they appreciated the moral support, but needed money to buy guns. As Mario Calero, a Nicaraguan guerrilla official, told a French television team: "We need money without any 'humanitarian' baloney."



President Hosni Mubarak greeting Prime Minister Margaret Thatcher in Cairo.

## Mubarak Sees Progress on Taba

By Judith Miller  
New York Times Service

CAIRO — President Hosni Mubarak said Tuesday that progress has been made towards resolving Egypt's dispute with Israel over Taba, a major source of tension.

Speaking to British reporters who were accompanying Prime Minister Margaret Thatcher on the first day of her Middle East talks, Mr. Mubarak declined to elaborate on the nature of the progress. He said, however, that he

had sent a message Tuesday to Prime Minister Shimon Peres regarding the issue.

Taba, a 700-yard (640-meter) strip of beach that Israel retained after withdrawing from Sinai in 1982, has become a major stumbling block in efforts to restore normal ties between Egypt and Israel, which signed a peace treaty in 1979. Israel's invasion of Lebanon also strained relations between the two countries, and when the Egyptian ambassador was withdrawn following the in-

vasion, Cairo said no senior envoy would be returned until the Taba issue was settled.

"I am optimistic," Mr. Mubarak said Tuesday. "I hope that we could proceed forward on the problem of Taba so as to put it to an end," he added.

Mrs. Thatcher met for two hours Tuesday with Mr. Mubarak in Cairo, the first stop on her four-day tour of Egypt and Jordan.

## In Lebanon, a Symbiosis Of Firepower, Fighting

Weapons Bigger and Clashes Fiercer As Tanks, Artillery Feed Blood Feuds

By John Kifner  
New York Times Service

BEIRUT — For more than a decade, weapons and ammunition have poured into the killing grounds of Lebanon from a vast variety of sources, turning the country into an arms supermarket.

Now gunrunning is on the rise again, according to Lebanese and Western sources, feeding the blood feuds among the more than 40 factions and splinter groups with ever heavier tools of destruction.

There is a kind of archaeology of strife here that demonstrates in terms of levels of destruction how the weapons have grown bigger and the fighting more fierce.

Buildings in the old luxury hotel district and along parts of the Green Line dividing the Moslem and Christian sectors that were the scenes of the original militia battles in 1975 and 1976 are still largely intact, although gnawed and pockmarked by small arms fire.

But over the last 18 months, whole neighborhoods have been leveled to rubble by merciless artillery pounding, mainly in the Shiite Moslem slums and Palestinian refugee districts on the southern edge of the city.

The weapons of the private armies here have moved from the ubiquitous Soviet-designed Kalashnikov assault rifle carried by street fighters to tanks and artillery batteries.

The latest major weapons addition arrived last month, when Syria presented its main proxy, the Shiite Moslem militia Amal, with 50 Soviet-made T-54 tanks. Some of the tanks are thought to be manned by soldiers of the mostly Shiite 6th Brigade of the official Lebanese Army — which, in the chaos of West Beirut, has many times become nearly indistinguishable from Amal. At least two of the tanks have been lost in street fighting, military sources said.

The tanks considerably bolstered Amal and brought the militia to near parity in arms with more established militia groups. The Shiite forces were frustrated in June in an attempt to drive Palestinian guerrillas loyal to Yasser Arafat, Syria's enemy, out of their bases in the refugee districts.

There was considerable speculation about whom the Syrians intended the tanks to be used against. The candidates included the Christians, who are Amal's declared enemies; Amal's nominal allies, the Druze, and its sometime Shiite fundamentalist rivals, the Party of God, not to mention the Palestinians.

The tanks were used in five days of renewed fighting recently against Palestinians holding out in the Burj al-Brajneh district near the airport.

In the last few weeks, according to Western military sources, Syria has given Amal several 130mm and 122mm artillery pieces at a fire base on a slope in the Bekaa region. The guns can be fired into either Christian areas of Beirut or the Palestinian districts.

The Syrian largesse illustrates another aspect of the Lebanese arms buildup: the willingness of other Middle East powers to arm their proxies, and, often, fight their battles here. Before Israel invaded Lebanon in 1982, it clandestinely armed the Christian militia in hopes it would be a strong ally.

Now Libya is trying to resupply the Arafat guerrillas in Beirut and the Sidon area, according to Western intelligence sources. These sources said several shipments of arms might have been landed along the coast, mainly at the new private port at Khaldé, which is controlled by Druze militiamen of the Progressive Socialist Party.

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The private ports all along the coast are major entry points for smuggled weapons. The Christian militia has long operated its own busy section of the port of Beirut and has also brought weapons into and out of the port in the Christian and other parts in the Christian heartland. Amal also has its own port now in mostly Moslem West Beirut.

In addition to the weapons supplied by interested outsiders, the rival militias also buy from private, international arms dealers, using money they have raised through taxes, contributions, smuggling and other means in territory they control. Some money comes from wealthy expatriates.

The Druze leader, Walid Jumblatt, has established his own direct line to Moscow, and now gets some Soviet arms, including tanks, directly. Diplomats expect this to eventually become a bone of contention with President Hafez al-Assad of Syria, who prefers to keep his allies dependent.

In addition to the rifles, rocket launchers and truck-mounted machine guns that are the common stock of the private armies, the Druze forces are estimated to have 50 to 100 T-54 and T-55 tanks, according to sources. They also have three American-made M-48 tanks that they took away from the Lebanese Army.

The steadily uniformed Christian militiamen, now known as the Lebanese Forces, have 50 or 60 tanks, some supplied by Israel, including seven American M-48s they took away from the Lebanese Army. The Christians also have 30 to 40 artillery pieces, mostly of Soviet and French manufacture.

The Lebanese Army itself has about 130 tanks left.

The Fundamentalist Party of God, with a major base in the Bekaa, receives money and equipment from Iran.

Along the southern border, Israel has organized, paid and armed a mostly Christian militia called the South Lebanon Army, equipped with, among other things, old U.S. Sherman tanks.

## 16 More Die As Lebanon's Fight Widens

The Associated Press

BEIRUT — Factional fighting engulfed Beirut's Green Line, the northern port city of Tripoli and Lebanon's central mountains Tuesday.

The police reported that 16 more persons had died in the fighting that began Sunday, nine of them in Tripoli, Lebanon's second-largest city, 50 miles (80 kilometers) north of Beirut.

Pro-Syrian and Palestinian-backed militias battling for control of Tripoli traded artillery and rocket fire for the third day in six densely populated districts. The police said that 33 persons have been killed and 115 wounded in Tripoli since Sunday.

Christian and Moslem militiamen, antagonists in Lebanon's civil war, fought gun battles throughout the night across the Green Line that divides Beirut into Moslem and Christian sectors. The police said that four civilians were killed and seven others wounded.

In southern Lebanon, Arab guerrillas said Tuesday that a suicide bomber crashed a car packed with explosives into a post manned by an Israeli-backed militia, causing casualties. The report was not confirmed by Israel.

## Effects of Smoking on Health in U.S. Are Said to Cost \$65 Billion a Year

Los Angeles Times Service

WASHINGTON — The adverse effect of smoking on health is costing the United States an average of \$65 billion a year in increased medical bills, premature death and time lost from work, or about \$2.17 for each pack of cigarettes consumed, according to a new congressional study.

The calculations, released Monday by the Office of Technology Assessment, a scientific advisory arm of Congress, are higher than the estimate of \$40 million made in 1984 by the U.S. surgeon general, C. Everett Koop.

The Tobacco Institute, an industry lobbying group, disputed the results of the new study, saying that it "demonstrates how little is known about the relationship of personal behavior to disease, and then in turn, disease to cost."

The study found that the United States will spend \$12 billion to \$35 billion this year to treat smoking-related diseases such as lung cancer, or 3 percent to 9 percent of total U.S. health care spending. Additional costs for lost job productivity will total \$27 billion to \$61 billion. Thus, the total costs range from \$39 billion to \$96 billion, an average of \$65 billion.

Representative Fortney H. Stark, a Democrat of California, said, "This study confirms our suspicions that smoking is not only a deadly habit but a costly one for the federal health care budget."

## Pope May Visit U.S. Again in '87

United Press International

WASHINGTON — Pope John Paul II may make a pastoral visit to the United States in the fall of 1987, with stops in several cities in the South and West, the National Conference of Catholic Bishops announced Tuesday.

The bishops said the trip may last a little more than a week, and that the exact dates and places had not been determined.

It would be John Paul's second major trip to the United States as pope.

The increase in net personal income would be achieved by lowering wage earners' contributions to the Dutch social security system, which remains, despite recent cutbacks, one of the West's most comprehensive.

Under the budget proposal, defense expenditures would rise 343.5 million guilders to 13.7 billion guilders, and foreign aid expenditures would increase by 900 million guilders to 5.1 billion guilders, or 1.5 percent of the Dutch national income.

The budget is subject to parliamentary approval.

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General Yepishev became a full member of the Central Committee in 1964 and was an influential voice in the Kremlin, especially under Nikita S. Khrushchev and Leonid I. Brezhnev.

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## Yepishev, a Russian General, Dies

New York Times Service

MOSCOW — General Alexei A. Yepishev, 77, who for 23 years was the chief political commissar of the Soviet armed forces, died Sunday after a long illness, the Tass press agency announced.

General Yepishev retired in July to the largely honorary post of military inspector. As political commissar, he had responsibility for the political loyalty and moral discipline of the Soviet military.

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## THE NIKKO PERSPECTIVE

# ON WHAT

## A Japanese Investment Bank's Global Role Should Be

### HOW DO you view recent trends in the Tokyo capital market?

**Umemura:** This past year, the pace of development has been rapid. In keeping with the directions set forth in the report of the U.S.-Japan Yen-Dollar Committee in May 1984, the authorities liberalized the Euroyen market, established a yen bankers' acceptance (BA) market, and further broadened the participation of foreign securities companies in the market—as lead managers of Euroyen bond issues, as participants in syndicates to underwrite government bonds in Japan, and in other activities.

It was also an important year because the terms at which long-term government bonds were being issued more closely reflected yields in the secondary market.

The introduction of a BA market was a significant step toward development of a short-term money market, but this market is only in its initial stage. I believe that a precondition for the growth of the BA market is the introduction of a full-fledged treasury bill market.

A comparison with other countries is revealing. The size of the short-term money market in Japan is only one-tenth that of the United States, although the size of our economy is one-third that of the United States. Even compared with the size of the Japanese capital market, the short-term money market is small. For the efficient functioning of a capital market and the smooth adjustment of interest rates to market forces, the short-term money market must be expanded. Thus, in addition to yen BAs and existing short-term government bonds, Japan needs to create and build a treasury bill market.

### WHAT DO you see as the longer-range implications of recent developments in the Tokyo market?

**Umemura:** As is evident from events of the past year, the rapid pace of deregulation is both diminishing administrative controls and steadily dismantling the previous shelters that have protected many Japanese financial institutions from the full force of competition.

More important, liberalization is presenting us with new business opportunities, and at Nikko, we have moved quickly to rationalize our internal operations and to allocate managerial resources to the most promising business opportunities.

### RECENTLY, MANY analysts have drawn attention to the emergence of Japan as the largest net exporter of capital in the world. What is your perspective on these flows?

**Umemura:** From an economic standpoint, the growth of capital outflows is related to the rising surplus in the current account of Japan's balance of payments. This surplus is projected to be \$39 billion in the current year and \$48 billion next year. It is only natural that Japan reexports its earnings from trade.

Securities investment accounts for approximately one-half of capital outflows. This is

the result of the growth of financial assets in Japan and the desire of investment managers to diversify their portfolios. Over the past year or two, both institutions and individuals in Japan have been attracted by high returns overseas. The trend toward international diversification of portfolios should continue.

I would also note the high level of capital inflows as more international investors diversify their portfolios to include Japanese securities. Thus, although both capital inflows and outflows will continue to grow, I believe that Japan will remain a net exporter of long-term capital for some time.

### AS THE Tokyo market expands and capital flows increase, what issues do you see facing Nikko Securities as a global investment bank?

**Umemura:** There are three strong currents in the financial services industry: deregulation, internationalization, and the growing reliance on information systems. In these currents, we must steer a course that will not only keep us in the lead in our traditional businesses but take us into new waters.

Although we could debate the merits of our strategy, we have chosen to remain a full-service financial institution committed to serving both individuals and institutions. Over the years, our customers have assumed they can come to us for any service, and we will not disappoint them.

In providing a full range of services, we are striving for balance. For example, the ratio of profits from equities-related business and of those from other securities, such as bonds and investment trusts, is now 65:35. We are gradually moving it toward 50:50 by building our capabilities for trading and placing bonds. This has involved adding staff to our bond operations both domestically and abroad. We look forward to the introduction of a bond futures market next month and are prepared to take advantage of the opportunities—for our clients and ourselves—that such a financial futures market offers. There is also talk of launching a detachable warrants market in the near future.

Another means of achieving balance is to make use of our natural strengths. Because we are based in Japan, we believe we have an advantage for yen-linked products as the role of the yen as an international currency grows. And as I just mentioned, we are in an excellent position to help Japanese investors who want to invest abroad.

We also want good geographic balance and already have a solid position in all the major markets. For example, we are very strong in Samurai bond underwritings for Pacific Basin countries. This position is attributable to our long involvement in the region. For years, we have been active in the Republic of Korea. In the People's Republic of China, we recently opened a representative office in Beijing and are preparing for another one in Qingdao.

As the core economy in Asia, Japan must play a growing role in assisting its neighbors raise the capital necessary for economic development—and develop their own capital markets. We take this responsibility seriously at Nikko.

### WHAT OBJECTIVES will you be pursuing over the next five years?

**Umemura:** I think the strategy I just outlined points to where we want to be five years from now. By then, we are aiming to have more than 110 offices domestically and more than 20 abroad, all linked as a global network. And we intend to provide a range and quality of service—for individuals and institutions in Japan and internationally—that will give us an edge on other excellent investment banks.



**Shoji Umemura**

President since 1981, Shoji Umemura has 52 years of experience with Nikko Securities. He is currently serving as Chairman of The Bond Underwriters Association of Japan.

### WHAT RESOURCES are required to compete internationally?

**Umemura:** The answer to that question starts with financial resources. Nikko has an equity base of ¥420 billion, or about \$1.7 billion. This ranks us among the top three securities companies in the world.

Naturally, we must also have the human resources and creativity to best use our capital resources. Quite honestly, Japanese financial institutions do not always compare well on technical skills. Part of the reason is historical. For instance, I think the leading American banks are ahead of their Japanese counterparts in global cash management. But then, Japan has not had a large money market in which to invest liquid assets.

To cite what is both a Japanese and Western maxim: necessity is the mother of invention. The necessity is evident in Japan. The large volume of government debt issues is leading to the rapid development of a secondary bond market. Liberalization of interest rates has forced the design of new savings instruments. Slower economic growth has prompted corporate treasurers to find the lowest-cost capital, thus leading to disintermediation.

Nikko has contributed its share of innovations in the past, and I am confident that we

will continue to in the future. Back in 1961, we were the first to create and offer a bond investment trust fund in Japan. More recently, in 1984, we introduced Home Trade One, the first home brokerage system using a push-button phone to place buy and sell orders.

Our international accomplishments go back many years. In 1961, we were instrumental in setting up the Japan Fund in the United States. This past year, we launched the first Euroyen money market fund, which is based in Luxembourg.

For a company generally recognized as being bound to tradition, I think we have demonstrated we can be effective marketers of innovative services. But they must be services needed by our clients. I am continually saying that we must grow with our clients.

### WHAT PARTICULAR services do your clients want from you, and what are you doing to provide them?

**Umemura:** Since our clients want a variety of services, we are relying on the combined resources of Nikko itself, our overseas subsidiaries, and such members of the Nikko Group as the Nikko Research Center, Ltd.; the Nikko Securities Investment Trust Management Co., Ltd.; Nikko International Capital Management Co., Ltd.; and Nikko Venture Capital Co., Ltd.

One service our corporate clients want is global underwriting. The development of the Euroyen market and the emergence of the yen as an international currency have prompted us to strengthen our international network of 18 offices. We have put additional capital into our American and Luxembourg subsidiaries and are in the process of establishing a merchant bank in Sydney. In Paris, we plan to upgrade our representative office to a subsidiary.

Another service in high demand is global dealing, and we have placed a high priority on expanding our capabilities in this area. To minimize market risk, dealing skills are an essential complement to our brokerage and underwriting skills. We are putting in place a 24-hour dealing system centered on our operations in Tokyo, London, and New York. In another move to help our clients hedge risk, we have become a member of the major financial futures and options exchanges.

Our customers also want fast delivery of, and easy access to, a variety of products. To meet the domestic demand for variety, we recently opened a credit card company and have ventures with other companies to provide particular services. To meet the demand from customers around the world for faster delivery of services, we have been upgrading our data processing and telecommunications systems.

To provide any of these services, we must also invest in people. After highly selective recruiting, we spend considerable time and effort on training new employees. For highly specialized areas—such as bond trading, swaps, foreign exchange, and computer systems—we are structuring our organization to promote specialization. And overseas, we have been fortunate in recruiting top-level individuals for senior positions.

# NIKKO

## Nikko Securities

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# Herald Tribune

Published With The New York Times and The Washington Post

## Capitalist Crossed Purposes

Early next month, rich and poor governments meet in Seoul to discuss the world's financial crisis. Later in October, the same city hosts a meeting on the trade crisis. The division of labor is unfortunate.

Three recent studies are particularly relevant to these two meetings.

The rich countries have asked why the present system of floating exchange rates has shown weaknesses unexpected when the system was introduced a decade ago. Their conclusion is that what is needed is a better coordination of national economic policies, but no change in the system. That is hardly an earth-shaking finding. The tools for economic coordination have existed ever since the end of World War II, but they have progressively fallen into disuse.

A study by the poor countries is more ambitious, since they believe that the present international monetary system works particularly to their disadvantage. They call for more intervention by the rich in the exchange markets to keep currency values within agreed target zones, a reshaping of policies to make the economies of the rich more supportive of growth, and more pressure on creditor countries to help the weaker ones. They seek more credit from the IMF, more official development aid, the stretching out of their debts with special relief when interest rates rise, and the rolling back of protectionism. That is a familiar list, which many will dismiss as asking for the moon.

A more balanced report emanates from the United Nations Conference on Trade and Development, which has often been regarded as an unbalanced pressure group for the poor. UNCTAD calls, reasonably enough, for somewhat faster growth in the world of the rich. But it does not ignore the

needing for the poorer countries to correct their sometimes hopelessly improvident domestic policies, which encourage triple-digit inflation and discourage the productive investment that is their only way to wealth. UNCTAD's main contribution, however, is to underline the need for the governments of the rich to break out of a peculiarly vicious circle. How, it asks, can the world economy function when the poorer countries have to reduce their debts — which requires a big increase of their exports — but the response of the rich is to put up barriers to imports?

It would help if the United States defused protectionist pressure through fiscal action that led to lower interest rates and a cheaper dollar, but this seems unlikely. It would help if other OECD countries increased their growth, but this would need action by governments that doubt the efficacy of activism in this field. It would help if aid increased, but the rich governments believe — probably wrongly — that this would cost votes. And it would help if private capital flows to the Third World increased. The World Bank is launching a sensible guarantee scheme to this end, but it will take time.

So you come back to the basic choice: Either protectionism has to be reversed fast, or the debt burden has to be stretched out over a longer period. As we read the bottom line of the writing on the wall, it is mainly through debt alleviation that a solution will have to be found. But this is where the financial experts in Seoul may differ from their trade colleagues three weeks later.

Their separate meetings illustrate divergences of approach inside rich countries that may lead to major international contradictions in the capitalist world.

INTERNATIONAL HERALD TRIBUNE

## Acid Poison From the Sky

For five years President Reagan has refused to lift a finger against acid rain, the slow poison that is eating the life out of lakes and trees from the Rockies to the Eastern seaboard. To each new report urging action, the administration has always responded that too little is known about acid rain to justify any plan of action. The excuse was never valid, and has now been rendered embarrassing by the frank appraisal of Drew Lewis, Mr. Reagan's special representative on acid rain.

"It seems to me that saying sulfates do not cause acid rain is the same as saying that smoking does not cause lung cancer," Mr. Lewis told New England governors last week. He acknowledged that the emission of sulfur dioxide gas from coal-fired power plants was the cause of acid rain and must be reduced, whatever uncertainties remain in the details.

The weight of scientific opinion centered on that conclusion many months ago. A blue ribbon review panel convened by Mr. Reagan's own science adviser recommended in July 1984 that "cost effective steps to reduce emissions begin now even though the resulting ecological benefits cannot yet be quantified." Mr. Reagan ignored that advice, and rebuffed the modest control program devised at his request by William Ruckelshaus, former head of the Environmental Protection Agency.

Finally to get an accurate diagnosis from this administration is no small gain; it is a

tribute to Mr. Lewis's candor. But, having diagnosed the disease, he shrinks from the remedy. Decades of acidified rain, snow and mist have so weakened the neutralizing power of soils and lakes that a major reduction of acid pollutants is now necessary. The scientific consensus is that the acid burden must be cut in half, which requires a reduction of 12 million tons a year in the sulfur and nitrogen oxides emitted from power plants and other sources. Mr. Lewis calls such a program "unrealistic" because it would cost utilities an estimated \$6 billion to clean up their emissions. But what is the point of a cheaper program if it fails to protect lakes and forests?

The costs of not reducing acid rain are also substantial. Quite apart from the havoc wreaked on nature, the Environmental Protection Agency calculates that acid rain causes \$5 billion a year of corrosion damage in buildings and \$2 billion from the effects of reduced visibility, like disrupted air traffic schedules and canceled outdoor activities.

The principal remedy for acid rain is to have utilities pollute much less, by switching to low-sulfur coal or installing scrubbers. That will be costly, especially for the heavily polluting utilities in the Ohio Valley and for mines that produce high-sulfur coal — but not as costly as tolerating the persistent poison from the sky. Five years of procrastination is enough.

—THE NEW YORK TIMES

## Leave the Titanic in Peace

The Titanic lies now in 13,000 feet of water on a gently sloping alpine-looking countryside overlooking a small canyon below. Its bow faces north. The ship sits upright on its bottom with its mighty stacks pointed upward. There is no light at this great depth and little life can be found. It is a quiet and peaceful place — a fitting place for the remains of this greatest of sea tragedies to rest. Forever may it remain that way. And may God bless these now-found souls.

—Dr. Robert Ballard, leader of the expedition that found the Titanic.

The finding of the Titanic is one scientific discovery whose significance does not need belaboring. Since April 14, 1912, the elements of the Titanic story have taken hold in popular consciousness: "unsinkable" design, a confident start, a calm night, distress calls unanswered, the shortage of lifeboats, the 1,500 dead. To most of us the Titanic story is less history than legend. As with most legends, its theme is simple: the extravagant pride of man and technology, and the revenge of nature.

Today, "state-of-the-art technology" means to us something more powerful than the Titanic's overconfident builders could have imagined.

It is harder to remember that however far back we push the boundaries of technological civilization, the natural forces beyond that boundary remain as unforgiving as ever. Only those who work at the edge of current exploratory technology — such as the U.S.-French team whose revolutionary scanning device, Argo, was, like the Titanic, on its maiden voyage — retain awareness of what nature has the power to do. Hence, perhaps, Dr. Ballard's emotional plea to prospective treasure-hunters "not to desecrate this memorial."

Such a message will not reach everyone. Would-be salvagers have declared their intention to search for the wreck and raise it or strip it of valuables — since nobody actually owns it. Within a week of the discovery, six U.S. congressmen had introduced legislation that would deter such buccannery by designating the Titanic an international memorial site. Such a measure is unlikely to discourage the more determined would-be scavengers — one of whom told Time magazine that "you can do anything you're big enough to do it on there" — but it will be all to the good if Congress can amplify Dr. Ballard's basic message.

—THE WASHINGTON POST

## FROM OUR SEPT. 18 PAGES, 75 AND 50 YEARS AGO

### 1910: U.S. Tariff Step Is Welcomed

BERLIN — Herr A. Kiener, president of the Chamber of Commerce at Colmar and head of an important manufacturing firm in Alsace, has expressed satisfaction with the practical withdrawal of the new regulations covering textiles and congratulated the U.S. Treasury Department upon the decision. "The export trade in textiles to the United States," he said, "has been cut down to next to nothing by the high tariff. The new regulations would have excluded the few manufacturers still doing business with America. I think a country valuing its reputation for dignity ought to avoid the introduction of a measure that, if not framed in the interest of unfair business competitors, bears that appearance. The successful issue of the regulations is highly satisfactory."

### 1935: Russell Warns of Slide to War

PARIS — Not super-statesmen, not over-enthusiastic masses but magnates of industry were blamed by Bertrand Russell, British author and sociologist, for manipulating nations into war. "Hitler? Why Hitler is just a megaphone for the German iron and steel industry. I'd admit he is a good megaphone, but that is because the German iron and steel industry is very competent and would have a good megaphone," Mr. Russell issued his statements from a safe near the Sorbonne (on Sept. 17). "Imagine! This is an age when the iron and steel industry can bring on a war singlehanded. The world is simply lunatic." "The states of Europe," he added, "don't seem to realize that the next war will be much more serious than the last. If it occurs, civilization will not survive in England, France or Germany."

## Reagan Has an Urgent Decision to Make

By Flora Lewis

BERLIN — It is a wasteful exercise to speculate whether the Soviet leader, Mikhail Gorbachev, is ready to make real concessions to get an arms agreement that would include a ban on development and testing of "star wars" but not on research, or whether he is just cleverly harnessing a propaganda windfall. The tea leaves won't tell. But there is an easy, straightforward test. It is to take him up on his hints.

The United States can lose nothing by saying that it is prepared to make an adequate trade-off. Then if the Russians do not deliver in detailed negotiations, the United States need not, either.

Incredible as it seems, there is still no White House decision on this crucial policy issue. In less than a fortnight the Soviet foreign minister, Eduard Shevardnadze, will be in New York and Washington, the important last plateau on the climb to the November Reagan-Gorbachev summit. The third round in the U.S.-Soviet arms talks in Geneva opens next week. But the Washington battle for the president's ear is still raging.

Only last week, Defense Secretary Casper Weinberger declared publicly that "star wars" is "not any kind of bargaining chip or negotiating chip," which clearly means no search for a deal. Secretary of State George Shultz and his senior arms control adviser, Paul Nitze, are known to favor a trade if Moscow will make it good enough. There is no sign of President Reagan's decision, although he has already publicly com-

mitted the United States not to go beyond research without negotiating.

There is very little time left, and no real preparation, for probing Mr. Gorbachev's intentions. It is evident that he feels considerable pressure to make some vital decisions of his own before his party's congress next February. He is making long-range plans for the Soviet economy. If he concludes in the next few weeks that there is no prospect of an agreement with the United States with mutual concessions, he may commit his regime to a course that will not provide another opportunity for a decade. That would mean renewed deterioration of Soviet-American relations well beyond Mr. Reagan's presidency, with no way of ever knowing for sure whether a real chance of improvement was recklessly ignored.

Europeans and others at a conference in West Berlin of the International Institute of Strategic Studies make clear that U.S. alliances would suffer. Mr. Gorbachev could be expected to exploit such a situation should he have the time and the means. There are already signs that he considers opening to Western Europe and Japan, perhaps with dramatic concessions such as return of the four disputed Kuril Islands, as an alternative if he has no "American option."

The extraordinary thing about the argument in Washington is that it has not even begun to address the questions of what terms the United States should regard as a good, worthwhile bargain. The argument is still essentially about whether there is any point in probing for Mr. Gorbachev's minimum conditions.

That is the context in which to read the report about complaints from the U.S. negotiating team in Geneva that the Russians have been enabled to appear more flexible than the Americans at the arms talks. The Reagan administration contends that American negotiators have plenty of flexibility, but that the Russians have made no formal proposals to test them.

In fact the American team has been instructed only to advocate and explain Mr. Reagan's missile defense program, not to explore what Moscow really seeks and will give in return. And it has been told to insist that the Soviet Union put its cards on the table first, without any hints of Washington's likely response.

That is not a way to find out if Mr. Gorbachev means business, or to seek to influence the major long-range decisions that will soon be making. And no decision from Mr. Reagan on U.S. policy will amount soon to a negative decision. So much is at stake if the chance to test the Soviet leader is thrown away. If the chance is seized, the only risk would be to discover that Moscow has something serious and useful to offer.

The New York Times

## Blacks in South Africa: A Post-Apartheid Horizon?

By S.J. Terreblanche

STELLENBOSCH, South Africa — Apartheid has become one of the worst symbols of our time — a symbol of something that is totally unacceptable. As a symbol, apartheid has acquired a meaning that can no longer be reconciled with the values and attitudes of the Western world.

Apartheid has many deplorable dimensions, but the image projected by the symbol is far worse. We South Africans can and must fight that wrong image, but until the government commits itself to dismantling apartheid, our options are limited.

We may plead for an appreciation of our unique situation. We can try to explain that some form of apartheid is, for the time being, the only way to organize social, economic and political life in an orderly way in a country where one-quarter of the population are First World people and three-quarters are Third World people.

Given the small size of the modern sector, and its small tax capacity, we cannot democratize our political and economic life in the Western sense. We can blame the rest of the world for its hypocrisy and its double standards, pointing out the discrimination in every other country. We can ridicule our sharpest critics in the West for being unprepared, if they were in a comparable situation, to do what they are demanding from us.

All these arguments are relevant in pleading South Africa's case, but they do little to counteract apartheid's negative symbolism.

If apartheid has become such an impediment, why not abolish it without further ado? Unfortunately that is not possible. It is politically naive and economically foolish to think that apartheid can be abolished overnight without devastating results.

Apartheid is not simply a policy. It is also part and parcel of the South African pattern of life — socially, economically and politically. The pattern was structured in the 19th century, and since that time has been systematically expanded, legalized and adapted. It has become the very foundation of the structure of South Africa. It cannot be demolished in a short period without serious disruptive effects that would be detrimental to every South African.

But, given that apartheid cannot be abolished overnight, there are two other options: a firm government commitment to dismantle apartheid over an unspecified period, and a progressive and visible program to attain reform in the shortest period.

The government should state in unequivocal terms that its ultimate aim is to dismantle apartheid peacefully, to get rid of all forms of discrimination, to work toward full human and civil rights and to create structures of equal and relevant political participation for all — not necessarily in a single parliamentary chamber.

As part of such a declaration the government also could state in equally unequivocal terms that progress toward such goals cannot be simple, linear, short-term or according to foreign prescriptions. It cannot proceed at a pace that would cause disruption and would endanger civilized standards and overstrain the capacity of the economy's modern sector.

It would have to move through several phases before the ultimate goal could be reached. For the foreseeable future the ethnic people would operate in their separate groups in a new political structure. It would be wrong to regard the group approach as a new form of apartheid. This approach could facilitate affirmative action and reverse discrimination to compensate for the many wrongdoings of the past.

A declaration of intent would have disadvantages. It might lead to increased radicalism. On the left it would probably quicken the spiral of rising expectations, create unreasonable demands and foster a greater degree of instability over the short period. On the right it might cause disruptive resistance politics and even semi-civil war among whites.

The government must realize that no solution can possibly satisfy all parties. It must look for the most acceptable common denominator. In order to achieve that by negotiation, the maintenance of law and order is a non-negotiable prerequisite.

On the other hand, the potential internal and external advantages of such a declaration, along with visible

reform measures, must not be underestimated. It could be of enormous symbolic value and a liberation for many whites who experience apartheid as a moral bondage. It could create a new hope and enthusiasm for the future. It could command indispensable foreign support.

As the embodiment of a common long-term goal, such a declaration could provide the symbol that would unite all moderate people, giving a new meaning to our common destiny.

In his Durban speech last month, President Pieter W. Botha got very close to such a declaration of intent and to an explicit commitment to power sharing with blacks. Due to the complexities of white politics in South Africa, he unfortunately chose not to formulate this important speech in the clear terms necessary.

Those of us who understand the idiosyncrasies of the Afrikaner culture hope that he meant it when he said that we have crossed the Rubicon.

The writer is a professor of political economics at the University of Stellenbosch, near Cape Town. He contributed this column to the Los Angeles Times.

## And in America: An Underclass Adrift

By Nicholas Lemann

WASHINGTON — What is driving American conservatives crazy about South Africa right now is the idea that, out of all the evils in this world, American liberals choose to focus on apartheid, almost to the exclusion of everything else.

The residents of a vast land area — stretching from Saigon to Vladivostok to Berlin — live in constant terror, and without any liberty as we in the West mean the word. Their governments are murderous. So are many of Africa's, and many of South America's. When President Reagan condemns apartheid, it is with this feeling: Of course it's terrible, but why this one and not all the others?

That is a fair question. It can be answered convincingly in a direct way, by explaining how South Africa is worse than, say, Mozambique or Nicaragua. But both sides know per-

fectly well what the real answer is: Apartheid resonates in the United States because of the long, sad U.S. history regarding race. If race were not the most persistently troubling issue in America's own domestic life, then South Africa would not be alone at the top of the American agenda.

By imposing their own obsession on another country, Americans are practicing a kind of moral imperialism. Conservatives who get huffy about this are being disingenuous, since they are moral imperialists, too, on a grander level, happy to enlist in the Manichean struggle against world communism small nations that care more about matters closer to home. Taking their argument at face value, though, isn't it possible to say, "Yes,

we ARE moral imperialists — and what's wrong with that?"

America became the world's strongest society by being the world's freest, too; unlike the Soviet government, the U.S. government operates by the consent of the people. That means that Americans have to obey a moral code, because it is crucial to maintaining the consent that is their source of strength. A large part of American success in World War II and failure in Vietnam was the difference between a cause the whole world perceived as not just serving U.S. interests but noble, and one that seemed at best purely strategic. When Americans are sure they are a force for good, it is easier for them to do what is necessary to be strong.

As moral consent is crucial to governance, the feeling that Americans find racism absolutely abhorrent is crucial to the maintenance of moral consent. Slavery was America's original sin, and racism, the slaveholder's justification, has been its durable legacy. In the whole world, it can be argued that 20th-century totalitarianism ranks with racism as an evil — but totalitarianism did not happen in America, and racism did. For Americans to have a special concern about apartheid out of all the bad that the world's many governments do is a sign that they want their own house to be in moral order — which is smart, because when it is, they operate best, even abroad.

But if these are the terms, they would dictate more gazing inward than seems to be going on now. In the sense of laws and intentions, America's house is in order — it is at the opposite extreme from apartheid. On the other hand, in the sense of results, it is uncomfortably less than opposite. There is a big black underclass in America, virtually all poor, virtually all living in urban ghettos, heavily unemployed, poorly educated and with a devastated family structure.

This is an uncomfortable subject. Unlike in South Africa, and unlike in the U.S. South 25 years ago, there is no easy-to-spot villain. To be moral is not simple — it means hard thought, and long, day-to-day effort. Just to say that the people in the ghettos are victims, that it is not their fault and that their lot will improve only when American society is "fundamentally restructured" is not enough, because it does not help anyone right now.

The conservative complaint that liberals prefer causes that are faraway abstractions to ones more complicated and nearer at hand is not dissimilar with a wave of the hand. There is a set of emotions that underlies the American obsession with apartheid: an anger about racism, an unwillingness to accept things as they are, an urgency about good causes. Every one of these emotions should lead inevitably to a feeling that the condition of the American black underclass is simply intolerable and must change. Millions of Americans can blacks are just slipping away from the rest of society, into a life that does not connect to everything that makes Americans feel that their country is great. The moral fervor about South Africa ought now to wake Americans up to this, the most terrible of all their domestic problems and the one to which many are paying the least attention.

The writer is national correspondent for The Atlantic Monthly. He contributed this column to The Washington Post.

## UN Politics Have Aged In 40 Years

By Daniel P. Moynihan

The writer, a Democratic senator from New York, was chief U.S. delegate to the United Nations in 1975 and 1976. This is the first of two articles.

WASHINGTON — In this year of 40th anniversaries, it remains to observe the founding of the United Nations, and the opening this week of the 40th General Assembly.

I say "observe." There is little disposition to celebrate — not in Washington, at all events. What a disappointment! This would have been to Franklin D. Roosevelt! We now know how much he conceded or simply left to Stalin in the final months of his life in order that the United Nations would get off to a good start, not least in the high and hopeful task of creating democracies in the soon to be independent European colonies.

Forty years have passed; the colonies are independent, but few are democracies. Most, through the most aligned movement, are solidly linked with the totalitarian states led by the Soviet Union. Contrary to what may be a general impression, Moscow's late has grown stronger, not weaker, in the United States in terms of votes it can muster. In the last General Assembly, the State Department calculated, the nonaligned countries voted with Moscow 86 percent of the time, the highest level ever, while voting with Washington 13 percent of the time, the lowest level ever.

Worse, in organizational terms, the nonaligned now seem permanently in thrall to the totalitarians. They have just finished a meeting in Angola, a Communist state under de facto military occupation by the Russians and Cubans. Rather than India or Yugoslavia or another genuinely non-aligned country, the wholly dependable Zimbabwe was chosen for the new nonaligned head more reason to be grateful to the United States than Zimbabwe at the moment it gained independence. The Carter administration had done everything it could to bring about the new government, including having referred to the leaders as "freedom fighters" during their opposition period. Yet at the United Nations — along with the just arrived Sandinistas — they instantly joined the Soviet Union in routine invective against Israel, the United States and the democracies in general.

America's reply has been a combination of anger and avoidance. In a celebrated tantrum two years ago, a member of the U.S. mission in New York invited the whole organization to sail off into the sunset — which would have got them to Hoboken, New Jersey, but no matter. For its part, in 1983, the Senate, 77 to 13, determined unilaterally to reduce the American contribution to the United Nations from 25 to 20 percent of the budget.

Such measures have one common feature: They propose to reduce American influence in the organization. The UN budget can surely be cut and probably should be, but to cut America's share, which is measured by the U.S. proportion of world economic production, is simply to declare America to be a less important country than it is. (The original U.S. share was more than one-third.)

It is odd how difficult it is for Americans to see what has happened at the United Nations. Quite simply, it has given birth to a world party system. Presidential elections did much the same in America two centuries ago. The founders thought that the emergence of "faction" would be ruinous; it wasn't. Nor need it be at the United Nations. It could be said of the General Assembly that if it did not exist, it would be impossible to invent it. Kimball and China with equal votes! Still, the U.S. Senate is also an odd place. New York, with 37 times the population of Wyoming, has the same two votes.

As in the Senate, the name of the game is coalition. There are three recognizable parties. Each has a recognizable structure, a political agenda and an assortment of party leaders and functionaries. First, the nonaligned. Next, in voting strength, the "Western" democracies, including Japan. Last, the Soviet bloc. (Outside any of these groupings is China, with a quarter of the world's population, it is a party in its own right.)

Just now the Soviet nonaligned coalition is in the majority. It can adopt any measure it wishes in the General Assembly and in most of the specialized agencies. The U.S. veto in the Security Council limits what the coalition can do, but not what it can say. If you think words matter, and they do, this is important.

The New York Times

## LETTER

### 'Homelands' in America

The "homelands" of South Africa are a real problem, but Americans have a "homeland" problem as well, and charity should begin at home.

Enterprise zones could bring jobs to the ghettos. Another idea is a mobile black neighborhood program with scattered magnet schools. We need black neighborhoods free of crime and drugs. Most of all, blacks must not feel rejected. White suburbanites should go to church now and then in the black "homelands," break bread with their black brothers and sisters and pray together that this ghettocancer will be eradicated before it destroys our beloved country.

BOB MADDEN  
Pontiac, Michigan

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Directeur de la publication: Walter H. Thayer.  
Asia Headquarters, 24-34 Hennessy Rd., Hong Kong. Tel.: 5-356418. Telex 61170.  
Managing Dir.: U.K.: Robin Macdonald, 43 Long Ave., London W22 7LJ. Tel.: 262000.  
Gen. Mgr.: Germany: W. Lohndorf, Postfach 13, 4000 Frankfurt/M. Tel.: 616721.  
S.A. au capital de 1.200.000 F. RCS Nanterre B 73201126. Commission Paritaire No. 61337.  
U.S. subscription: \$322 yearly. Second-class postage paid at Long Island City, N.Y. 11101.  
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## INSIGHTS

## U.S. Minister Says His Code Can Be a Crowbar to Change South Africa

By Lindsey Gruson  
New York Times Service

PHILADELPHIA — While the Reverend Leon Sullivan was leaving South Africa after an overnight visit 10 years ago, security officials manhandled him, held him in a small room, forced him to undress for a search and tore through his luggage.

It was as if Mr. Sullivan, the leader of one of the largest Baptist congregations in Philadelphia, was being stripped of his social rank and returned to the slums of Charleston, West Virginia, where he grew up, he said recently.

That was where he saved pennies for his first Coca-Cola, he recalled, only to be thrown out of the soda shop on the long-awaited day by a man shouting, "Boy, get up, you can't sit there, you're black."

"I decided right there and then I would stand on my feet against that type of thing," he said. When he boarded his plane in South Africa after the incident with the security officials, Mr. Sullivan, a veteran of the United States civil rights struggles, recalled his childhood pledge. He decided to fight South Africa's policy of racial separation, this time from within the corporate power structure.

Mr. Sullivan wrote an employment code for American businesses active in South Africa that has come to the forefront of the political debate in the United States over how to respond to South Africa's system of racial separation.

President Ronald Reagan announced last week that he would carry out by executive order many of the features of a bill drawn up in Congress imposing economic sanctions on the South African government. He specifically urged all American corporations doing business in South Africa to adopt Mr. Sullivan's code, including recent revisions that have strengthened it. The president announced that companies employing more than 25 persons who did not adhere to the code would be ineligible for U.S. export assistance.

Under Mr. Sullivan's code, which has become known as the Sullivan Principles, corporations may not discriminate by race, must train blacks for supervisory positions and must work to better their black employees' health and living standards. A recent revision also requires them to press for broad changes in South African society, including the repeal of all laws requiring racial separation.

About 150 of the 350 American companies doing business in South Africa have signed the code, and it is winning new converts as it evolves. In the wake of ongoing violence in



The Reverend Leon Sullivan

South Africa and growing calls for institutions to divest themselves of stock of companies doing business there, 45 companies have signed it in the last nine months.

But the principles have come under fire from both sides of the political spectrum.

THE code, and the order announced by Mr. Reagan, are a step short of the sweeping economic sanctions sought by many activists who oppose South African government policies. They assert that American corporations doing business there are partners in apartheid and should be forced to withdraw. They further contend that the Sullivan Principles are a smoke screen, allowing corporate signatories to say they are fighting racism while

reaping profits in a system of institutional racism.

"They use it to divert the debate," said Timothy H. Smith, executive director of the Interfaith Center on Corporate Responsibility, a leading divestment group. "It disguises that they strengthen apartheid. How the companies treat a few black employees is not the issue. The real issue is that they're partners in apartheid."

But even the activist critics acknowledge that the legislation is a symbolic gesture illustrating the growing pressure for the United States to combat South Africa's policies. As such, they say, it marks a profound awakening of American repugnance toward the white minority government in Pretoria.

On the other side of the debate, many corporations and conservatives who favor quiet diplomacy with South Africa say the code is an unwarranted intrusion into the companies' private business affairs. It requires an unacceptable meddling in the internal affairs of a sovereign state and will only promote South African intransigence, they say.

"We don't feel it's the role of Newfront Mining to lobby," said James Hill, a spokesman for the company, which owns a minority share of three South African mines. "We have our own code. We don't need to turn to a third party for another set of principles."

When Mr. Sullivan wrote his code, what has now become a groundswell of opposition to South Africa was a cause lacking widespread support.

Corporations refused to sign and Mr. Sullivan was widely derided as a neophyte gadfly, an irksome holdover from the civil rights movement who needed a new issue to fulfill himself. "I got piles of letters telling me to mind my own business," he said recently. "But it became an obsession. I had to see how far I could go. I kept thinking maybe a ripple could become a wave and a wave could become a tide that would change a country."

"My aim is not to keep American companies there," Mr. Sullivan said. "They can leave. But the companies must become part of the fiber of the liberation movement. If you can use the American companies, like a crowbar, to move a great big rock, you have to."

The approximately 350 American companies operating in South Africa have a total direct investment of \$2.8 billion. Combined with bank loans and an estimated \$8 billion of American-owned shares in South African companies, the United States investment in South Africa is an estimated \$15 billion, according to groups favoring divestment.

In addition, the United States was South Africa's largest trading partner in 1983, the last full year for which figures are available.

Mr. Sullivan acknowledged that his principles have had little impact on the life of most South African blacks and that the pace of change in South Africa has been slow. He also acknowledged that many signatories do not fulfill all of the code's many provisions.

"It's not a solution," he said. "It's a part of a process to bring about fundamental change. When I started with the idea, I thought I'd build. I thought the more I got companies on my wagon, the further I'd push my wagon. I thought I could move them in a direction they, maybe, didn't know they were going."

That has led Mr. Sullivan to repeatedly strengthen the code. While the principles originally required its signers to improve the life of their employees, it now mandates that they also work to overturn South Africa's racial policies.

Nonetheless, Mr. Sullivan acknowledged that the mounting cycle of repression and violence may require stronger action to pressure the white regime. He has called for a complete economic embargo against South Africa unless it dismantles its system of apartheid by June 1987.

"I don't know if we have two years," he said. "Time is running out. But these little principles have done more than the UN and all the other nations. It's making a difference. Besides, the pragmatic use of economic force is a tradition in my life."

This pattern was evident by the time he was a teenager, writing protest poetry and demonstrating against segregation. After being thrown out of the soda shop, for instance, Mr. Sullivan went back every Saturday until he was served. Then, having memorized a section of the U.S. Constitution, he integrated a nearby hamburger stand, which would only serve blacks through a side window.

"I kept going in there and they kept pushing me out," he recalled. "One day when they were pushing me out I stood up and recited the Preamble. The people stood up and applauded. The owner came up and said, 'Young man, anyone who can recite the Preamble can have a hamburger.'"

It was essentially the same tactic he used in winning national attention as the organizer of a 1959 boycott of Philadelphia companies that discriminated against blacks. When the boycott ended four years later, Mr. Sullivan concluded he had won a Pyrrhic victory.

"We found we were getting jobs in abun-

## Sullivan Principles for Businesses

NEW YORK — Following are the original principles written by the Reverend Leon Sullivan for American companies doing business in South Africa:

Nonsegregation of the races in all eating, comfort, locker room and work facilities. Equal and fair employment practices for all employees.

Initiation and development of training programs that will prepare blacks, coloreds and Asians in substantial numbers for supervisory, administrative, clerical and technical jobs.

Increasing the number of blacks, coloreds and Asians in management and supervisory positions.

Improving the quality of employees' lives

outside the work environment, including schooling, recreation and health facilities.

Following are additions to the code made last year:

Use influence and support the unrestricted rights of black businesses to locate in the urban areas of the nation.

Influence other companies in South Africa to follow the standards of equal rights principles.

Support the freedom of mobility of black workers to seek employment opportunities wherever they exist, and make possible provisions for adequate housing for families of employees within the proximity of workers' employment.

Support the ending of all apartheid laws.

dance," he said. "But we didn't have the training. So the companies were getting off the hook. I learned that integration without preparation is frustration."

AFTER the boycott, Mr. Sullivan started the Opportunities Industrialization Center, a job training program, in an abandoned jail in the poorest section of Philadelphia. The program now has centers in 100 cities across the country and in eight African countries.

Mr. Sullivan extricated himself from the slums of Charleston with a basketball and football scholarship to West Virginia State College. Although he badly injured his knee, he kept playing so he would not forfeit his stipend.

After graduating in 1943, he went to New York City to earn a master's degree at the Union Theological Seminary.

Several years later he arrived in Philadelphia as pastor of the Zion Baptist Church. He planned to stay a few years before moving back to New York. But he settled into the community and became what he now calls "a Christian soldier who labors in the field of urban battle."

That brought him to the attention of James M. Roche, chairman of the board of General Motors Corp. He called Mr. Sullivan in 1970 and asked him to meet him in New York. Mr. Sullivan declined, saying he was too busy. But he would see Mr. Roche if he came to Philadelphia.

Mr. Roche came and invited Mr. Sullivan to

join the company's board, a position Mr. Sullivan accepted.

As a General Motors Corp. board member Mr. Sullivan said he took pains to inform other members of his opposition to the company's investments in South Africa. Nonetheless, when he spoke in favor of a shareholders' resolution demanding that the company leave South Africa, it was a shock. It was the first time in memory that a director had dissented publicly from management's expressed views.

The resolution was voted down by 98.71 percent of the voting shareholders and Mr. Sullivan, although remaining on the board, devoted himself to running his church and job training centers. In June 1975, he briefly visited several African countries where he had or planned to establish similar programs.

Mr. Sullivan said he believes that until African countries have enough trained people to run their economies, they will never be truly liberated, even though they administer their governments.

During the trip, he had to stop over in South Africa. His arrival was widely announced. Throughout the night, South Africans came to his hotel room and, he said, asked him to work to make American companies a force for change. So he returned and wrote the code.

"I'm looking beyond the end of political apartheid," he said. "Then you'll have people without skills. I'm one of the few people who still believes there's a chance for peaceful change."



A student at Space Camp tries out the microgravity simulator chair.

## At Camp in Alabama, Aspiring Astronauts

By William E. Schmidt  
New York Times Service

HUNTSVILLE, Alabama — Television monitors flickered in the darkness inside Mission Control as teen-agers wearing radio headsets crouched at consoles, pretending to guide the space shuttle Challenger to a landing at Cape Canaveral, Florida.

On the other side of a wall, a second team of young people in blue flight suits sat buckled into seats inside a detailed reproduction of the shuttle's cockpit. After a simulated space mission that lasted two and a half hours, they were bringing the orbiter home.

Suddenly an adolescent voice came over the radio from Mission Control: "Challenger, there's a 747 already on the runway in front of you. Please go back into orbit."

There was a burst of laughter before everyone turned back to the 32-page script that included the events of real shuttle missions. It was the final assignment for the young people attending the U.S. Space Camp here, a summer program for aspiring astronauts.

Space Camp is a nonprofit venture run by the state of Alabama as part of its Space and Rocket Center, a 450-acre (181-hectare) exhibition of rockets and the history of the space program. The camp is adjacent to the National Aeronautics and Space Administration's Marshall Space Flight Center, where real-life astronauts are trained, and the U.S. Army's Redstone Arsenal, where rocket engines are developed and tested.

"This place is the greatest," said Harold Buchanan, 14, of Los Serranos, California. Like most of his fellow campers, Harold enrolled in the camp because he hoped to be an astronaut.

"I'd rather be a pilot, but I'll settle for mission specialist," he said.

About 3,100 boys and girls from all 50 states and seven other countries have attended the weeklong sessions this summer in Huntsville, the northern Alabama city where teams of American and German scientists helped build the rockets for U.S. flights to the moon and other space projects.

The camp plans to hold regular three-day programs for adults in October and November. The program will cost about \$350, room and meals included.

Campers 11 through 17 years old paid \$400 each to participate in the six-day summer program, in which they ate "space food," wore flight suits and attended lectures on everything from rocket propulsion to the history of space travel.

"The shuttle missions have given everyone a new perspective on space travel," said Edward

O. Buckbee, director of the camp and the museum. "What we have is a whole new generation out there who see space as the work place of the future."

In recent summers, Mr. Buckbee says, the camp has had more applicants than room.

It is currently undergoing a \$36-million expansion that will enable it to enroll 10,000 campers annually by operating nine months a year. In its first summer program in 1982, the camp accepted 700 young people.

A \$3 million dormitory resembling the interior of a space station will house 300 campers

**The idea of Space Camp originated with Wernher von Braun, the rocket scientist who helped put man on the moon.**

when it is completed. The camp also is constructing a \$1-million full-size reproduction of a shuttle orbiter.

Mr. Buckbee says the idea for Space Camp originated with Wernher von Braun, the rocket scientist who helped the United States put man on the moon. Mr. von Braun envisioned a program that would allow young people to become involved in science, just as Little League builds interest in baseball.

Campers are divided into two groups, depending on age. Children aged 11 to 14 build and launch their own model rockets. They also practice on astronaut training devices like the microgravity simulator, a chair suspended by springs from ceiling rails that produces the sensation of being weightless.

For older teen-agers, the highlight of the week is the simulated shuttle mission, in which crew members practice deploying satellites.

The would-be astronauts wear space suits and go on simulated space walks. Strapped into chairs that move on jets of air, they experience the sensation of drifting free in space.

About 15 percent of the campers are girls, a proportion that has tripled since Sally K. Ride became the first woman to participate in a space shuttle mission in 1983.

Marcy Vincent, 12, of Jacksonville, Alabama, said she hoped to be an astronaut someday, too. "Besides," she added, "Space Camp is definitely better than choir camp."

## France May Diffuse Powers of Investigating Judges

By Michael Dobbs

PARIS — France's *juges d'instruction*, or investigating magistrates, seem certain to be about to lose some of their powers.

Celebrated in movies and glorified in detective stories, the investigating magistrates have come under public criticism recently because of a series of sensational judicial blunders. The Socialist government disclosed plans this month to reform an institution that was founded by Napoleon in 1810.

The changes, which would reduce the solitary decision-making power of a figure frequently described as "the most powerful man in France," could have an impact on other European countries whose justice systems are based on the Napoleonic code rather than the Anglo-Saxon tradition of common law.

The unique authority of France's corps of 522 investigating magistrates derives from the fact that they combine the roles of policeman and grand jury in the U.S. system. Working in solitude under strict rules of judicial secrecy, they are responsible both for supervising a police investigation into a crime and deciding whether a suspect should be sent to trial.

If the cases they are working on capture the public imagination, the *petits juges*, or little judges, can end up as national or even international celebrities.

One thinks of Christos Sartzetakis, now president of Greece after being immortalized in Costa-Gavras' movie "Z" for his investigation of the murder of a leftist deputy in 1961, or Italy's Lario Martella, who looked into allegations of a "Bulgarian connection" to the attempted assassination of Pope John Paul II in 1981.

The strength of the French system, as copied elsewhere in Europe, is the independent magistrate who fearlessly presses ahead with his investigation, oblivious to political pressure. The weakness is that important legal cases can hinge on the personality of a lone investigator, who has the power to detain suspects for lengthy periods on fairly flimsy evidence provided he himself has a conviction intime, or moral certainty, of their guilt.

The potential for human error was underlined recently by France's notorious "Gregory Affair" — a legal saga that appears to have played a decisive role in convincing the justice minister, Robert Badinter, that reforms are overdue. Public opinion has been aroused by the blunders of a young and inexperienced magistrate investigating the murder of a 4-year-old boy, Gregory Villemin.

The magistrate, Jean-Michel Lambert, 33, initially suspected the boy's uncle of the murder. The uncle was arrested, held for three months, and then freed when the evidence against him was found to be faulty. A month after his release, he was shot dead by Gregory's father.

After belatedly deciding that the uncle was innocent, Mr. Lambert next arrested Gregory's pregnant mother on the same murder charge. The mother promptly went on a hunger strike. She has been released now herself on the order of an appeals court and the investigation suspended while she has her baby.

The Badinter proposals, which are to be submitted to Parliament later this year, are designed to reduce the likelihood of such blunders by ending the present isolation of the investigating magistrate. Instead of working by himself, in future he would be part of a team of three judges that would take joint responsibility for all decisions involving the arrest or release of suspects.

Announcing the change in an article in the Paris daily *Le Monde*, Mr. Badinter described the traditional solitude of the investigating magistrate as "an anachronism" in an age when other legal experts including defense lawyers worked in teams. He also criticized the lack of a clear distinction between the role of a "Maigret" and a "Solomon."

Under the new system, which cannot be introduced before 1988 because of the need to recruit 150 extra magistrates, individual judges still would be assigned to lead police investigations. But information about a case would be available to all members of the "investigating chamber" and such young magistrates as Judge Lambert would be closely supervised by a senior judge.

The justice minister argued that the principle of shared responsibility would help protect

magistrates from assassination. During the past decade, two French judges have been murdered by criminal gangs on the assumption that this would be a fatal blow to the investigation.

In Italy, where judges have been a prime target of both the Mafia and political terrorists, investigating magistrates already have begun to work in teams on difficult cases.

The proposed changes have been generally welcomed by French lawyers who feel the pre-

sent system is weighted against the accused. But it was criticized by individual investigating magistrates, who argued that what they really need is improved working conditions and more efficient secretarial support.

"This reform will paralyze the system of investigation and be a source of conflicts between magistrates to the benefit of the defense," said Jean-Louis Debré, a prominent investigating magistrate in Paris.

The need for an investigative magistrate to persuade two colleagues that a suspect should be held in preventive detention should ease the strain on French prisons. At present, half of France's prison population is awaiting trial — compared with about 21 percent in Britain and 17 percent in Sweden.

Italy holds the European record for the numbers of prisoners in preventive detention: 64.1 percent.

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## ARTS / LEISURE

## The Menuhin Contest: Novel Repertoire

By Mary Blume

PARIS—Since 1979 the city of Paris has held musical competitions organized by eminent soloists such as the cellist Mstislav Rostropovich and the flutist Jean-Pierre Rampal. This year's competition was for violinists and was devised by Yehudi Menuhin.

"It's going marvelously, exactly as I had hoped," Menuhin said in the Salle Pleyel during the closing days of the Concours International de Violon Yehudi Menuhin, which lasted 10 days. "I had kittens before it started because the artist has total liberty to fashion a competition according to his views and I took full advantage of it."

Menuhin's approach is to encourage rather than eliminate (there were 10 prizes and he said he had a few more up his sleeve in case of need); the jury and the 27 competitors were encouraged to meet openly, and the choice of repertoire was novel and wide.

Much care went into making the contest enlightening rather than agonizing. Candidates—there was no age limit and they ranged from a 16-year-old student to members of the Orchestre de Paris and the Los Angeles Philharmonic—were chosen on the basis of mailed-in cassettes, which eliminated weaker candidates without causing them

public distress and heavy travel costs. The competition was divided into three parts, starting with a piece that the Romanian-born composer Marcel Mihalovici, who died in August, wrote specially for the event.

"It is the perfect piece, very short," Menuhin said. "In those three minutes you can really tell a great deal about the violinist, his respect of the text, his capacity, his bow, his fingers. It's very revealing."

Contestants then chose a work from one of the following groups: Preclassical; Classical (Bach, Beethoven, Giuseppe Tartini or Mozart); Romantic (ranging from Schumann to Elgar); French Music (including works by Kreisler, Saint-Saëns and Paganini); and Improvisations and Transcriptions (folk, exotic music and jazz).

For the last part of the competition, four finalists (expanded by the jury from the three originally scheduled) each played a concerto from a choice of 12, accompanied by the Orchestre de Paris.

Having given such a wide range of repertoire, Menuhin was disappointed that the competitors failed to profit from it, most of them predictably choosing the Classical and Romantic groups. Only two

chose Preclassical composers (Vivaldi, Purcell, Corelli, Leclair, Rameau, Biber), which saddened Menuhin because it was a great period for the violin—"a time when the violin dominated the harpsichord," he said. And only six contestants chose improvisation, one of them turning up with a Paul McCartney medley.

"I think we have to open up the jazz category," Menuhin said, "because if a man like Grappelli exists it is our duty to see that he has successors."

Stéphane Grappelli, the veteran French jazz violinist, with whom Menuhin has jammed, was on a jury that ranged from Helen Dowling, who studied with Georges Enesco (as did Menuhin), to Robert Masters, a former director of Menuhin's violin school (Menuhin has had a school in Surrey, England, for 22 years and also has one in Gstaad, Switzerland). The jurors were all Menuhin's friends.

Toward the end of the contest, one day was set aside during which jurors and participants could meet. The contestants were encouraged to discuss their problems of interpretation and technique and the jurors offered criticism and advice.

The aim, Menuhin said, was for everyone to gain as much as possible and for the *concours* not to end, like most traditional competitions, with one hero, "who remains a god for two weeks until the next competition knocks him down."

Having made a triumphant debut as a soloist at the age of 7 in his native San Francisco, Menuhin played in only one competition. "I was about 6 years old and I won \$200, payable in \$20 installments, each month. It was quite a lot of money in those days. My father only earned \$300 a month and lived in a beautiful house that cost, I believe, \$6,500, with a garden, and that they were able to pay off at a rate of \$50 a month. I mean those were human days."

Looking at today's contestants, Menuhin noted an overall high quality and poor stance. "Not enough attention is paid to stance. You find them pigeon-toed, locked in the knees or hips, faulty

left hands because there is no freedom in the left shoulder, stiff necks when the head should be free. You find bow-holds that are not flexible enough, although on the whole the right hand is better than the left."

Menuhin was disappointed that eight of the 27 chose the Brahms D-minor sonata. "And in the concerto part, the majority chose the Brahms and Tchaikovsky, which I tried to dissuade them from doing." Other possibilities were Lalo, Beethoven, Berg, Sibelius, Elgar, Bartók, Bruch, Shostakovich, Schoenberg, Dvorak. "There's no point in someone who has played the Tchaikovsky concerto in all those competitions and won second or third prize coming here when we know from our experience that he can't play anything else."

Menuhin would eliminate the Brahms and Tchaikovsky concertos and the Brahms D-minor sonata from future competitions. And in the French music section he would drop César Franck.

What his competition had chiefly revealed, Menuhin said, is gaps in violin teaching. "An ideal competition can be made where those gaps are filled. I'm just laying the ground. The listeners at these competitions should be teachers, teachers who meet afterward and discuss."

In the meantime, there was more judging to do. Menuhin wove his way past the tables in the Salle Pleyel dining room amid handshakes and cries of *Maestro!* Menuhin! and went back to the auditorium. It was French Music day and he would be listening to Ravel, Fauré and, of course, Franck.



Yehudi Menuhin: "I had kittens before it started."

## The Intricate Look, by Jenny Lewis

By Dinah Lee

HONG KONG—Jenny Lewis may never have heard of the little black dress, but that doesn't bother thousands of bedazzled women. Her dresses are made for fast entrances—sinuous, sensual, sparkling entrances.

In 10 years, the British-born, Hong Kong-based designer has earned an international reputation dressing women in gossamer silk sheath dresses with sequins, or modified versions of the figure-hugging Chinese cheongsam, as if the "dress-for-success" suit had yet to be invented. The Lewis look is a combination of intricate handwork executed in Hong Kong and mainland China, and a Western sense of

chic and white satin, denied that her expensive, seductive designs were out of keeping with the lifestyle of the busy career woman.

"I believe in dressing for the right occasion in the right way, how exciting, at the end of the day in a suit and a tie, to jump into something that makes you feel incredibly, instantly feminine."

"We women must be assertive, but not aggressive—if we're aggressive, men only get more macho."

Lewis is a disarming combination of curly-haired charm and palpable business ambition. She began sewing at 10; she has had no formal design training. Her sense of style came from holidays spent with her aunt at Badminton House, a family estate near Newmarket, England. (Lewis is to be one subject of a BBC-TV documentary about successful people from Macclesfield, in Cheshire.)

"She was a tremendously talented and elegant but assertive woman," Lewis said of the aunt. "She once pulled a pair of high-heeled, pointed shoes—winklepickers, they were called—right off my feet saying that they were incongruous and disgusting. Of course, she was right."

Arriving in Singapore as a British Army bride in 18, Lewis found another source of inspiration in the colors and textures of the Far East. Her sewing and designing became a full-time business when she returned to Asia after six years in Guadalcanal, in the Pacific. Despite the responsibilities of raising two children and her duties as a civil servant's wife in a British colony, she set up her first boutique in Hong Kong in 1974.

Since then the business has expanded almost too rapidly for Lewis.

is, and she is working to assemble a top-notch management team. There are four Lewis boutiques in Hong Kong, and Jenny Lewis sections in Harrods, Saks Fifth Avenue and Neiman Marcus. Her most expensive line, the "Highlife" dresses, are favorites of actresses such as Stephanie Powers, Zsa Zsa Gabor and Victoria Principal. Lewis is also markets longwear, lingerie and sequined shoes.

In November, she is to visit Beverly Hills on a promotional tour, with an eye out for the right location for her first shop there. She is experimenting with interpretations of traditional Asian garments, especially the tight-fitting cheongsam, and with knits and leather as well as silk.

British Airways commissioned her to design new uniforms, and she has started a joint venture with the Lyon fabric house of Brocheur to make silk in China.

Other designers manufacturing in mainland China have run into unreliable deliveries, as well as the fashion gap between Communist factories and international design, but Lewis appears to have worked around the difficulties.

Another problem that came with success in Asia was the risk of being copied. "I had to get rid of several manufacturers for doing that," she said. "One man even opened his own shops in Hong Kong and Taiwan, handed out my biographies, and said, 'This is a Jenny Lewis which my factory will make for you on order for half price.'"

She added, "You really have to enjoy doing battle, have it together inside you and keep your humor more than anything else."

Dinah Lee is a journalist based in Hong Kong.

## 'Alchemist' Bubbles Over With Too Many Styles

By Sheridan Morley

LONDON—There is, as Michael Crawford has been remarking in "Barmum" for more than 1,000 West End performances, a sucker born every minute and it was rare Ben Jonson who

first assembled them all on stage. His sparkling array of London gullibles is on view at the Lyric Hammersmith, where Griff Rhys Jones has a production of "The Alchemist" cast with some of the best of the alternative-comedy circuit.

From the Royal Shakespeare Company comes Stephen Moore in the title role, from the clubs and pubs there are John Sessions as the manic Dutch pastor and Daniel Peacock as the bemused clerk, and from the faces of Dario Fo we have Gavin Richards and Rhys Jones (who stepped into the role of Sir Epicure Mammon after losing two actors for the part somewhere in rehearsal).

The result is, predictably, intriguing if a little confused. This production is full of good moments and good performances that have as yet failed somehow to come together into a coherent structure. The only thing that works with utter and total confidence is Roger Grosse's wonderfully extravagant set. The house that *Love* built has abandoned for fear of the plague become a vast villain's lair where his servant and two accomplices set up a profitable if fraudulent advice center. Everywhere gaudies and cubicles and bubbling test tubes suggest that 20 more subplots are waiting in the wings. A frantic comic invention here almost manages to hide the fact that Rhys Jones has no really conclusive theory about the play or the need to have another look at it now.

Acting styles crash into one another like juggernauts in fog. Some of the players are clearly deeply inexperienced at finding their way

through the undergrowth of Jonson's subplots. And Rhys Jones is an oddly subdued Mammon, visibly nauseated by the character's appalling ideas of gastronomy.

Yet in the title role Moore is a splendidly versatile "sucker" presiding over a dark and darkly amusing subplot. Jonson's triumph was to keep at least five separate stories running on parallel lines for a couple of hours before flinging a master switch and having them all collide center stage with the arrival of the owner of the house (Terence Longdon in magisterial form). At this point, the curtains are raised to reveal daylight and reality to those who have been living in the dark. Richards, having lunched from Jeeves to Quasimodo in his impersonations of faithful servants, has to admit that he and the Alchemist have been running so many rascals on borrowed premises that even they have given up trying to start them out, and Mammon goes off to preach the end of the world from his turnip cart. When they all get their acts together, this may yet turn out to be one of the most intelligent and welcome revivals in town.

If classic farce suffered from an excess of plot, modern farce seems to have the reverse problem. At the Strand, John Chapman and Michael Pertwee have come up with "Look, No Hand!" and a dearth of comic invention. Their play runs rather less than two hours, including the 15-minute interval; yet the story line after story line about 10, it's the kind of plot that Ben Travers, let alone Ben Jonson, might have used for a considerable comic use of David Jason can persuade us that this is anything more than a ramshackle assembly of one-line gags and one-dimensional characters in increasingly desperate search of a play.



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1985/09/18

# SMALL COMPUTERS

A SPECIAL REPORT

WEDNESDAY, SEPTEMBER 18, 1985

Page 9

## When to Buy: It's No Longer Safer to Wait

By Paul Freiberger

**PALO ALTO, California**—The personal computer world is not the labyrinth it once was, and buyers no longer have to puzzle out long passages to find the machine that is right for them. The shakeout in the market has left purchasers with a smaller selection, but also with a greater chance of buying a dependable computer. Although each country has a somewhat different product line available, many good systems are available.

Moreover, one of the dilemmas of computer buying seems to be disappearing. PC purchasers have often agonized over whether to buy now or wait for better technology and lower prices. Today, however, firm enough standards have been established so that technological advances tend to be subtle. In addition, prices may decline but no dramatic drops are expected soon, except in Spain, where prices should fall when the country enters the Common Market.

If you are used to shopping for computers in the United States, you will find buying abroad more difficult. It is not as easy to add peripherals from third-party manufacturers and the variety of options in general does not approach that in the United States. Moreover, sometimes you have to ship a part out of the country to repair it, a process with roadblocks of its own. Hence, when buying personal computers abroad, it is a good idea to locate a reliable dealer and buy a total system.

IBM, which did not offer a personal computer until the industry had been established, now dominates the market. Buying IBM is a conservative choice. The IBM PC lacks special features such as a mouse-pointing device or a touch screen. It takes up more desk space than its competitors, and many other computers offer better performance. Connoisseurs refer to the IBM PC as "plain vanilla." But even if you do not plan on purchasing one, you still need to know that IBM created the standard followed by most makers of peripherals and software.

The market success of the IBM PC has given it a wealth of software, most of which uses an operating system created by Microsoft called PC-DOS, or MS-DOS by competitors. You can buy a system with one disk drive, but you need two to run the computer comfortably. The price of an IBM PC with 256K, a monochrome monitor and two floppy disk drives runs from \$2,800 to \$3,000.

The PC boasts an open architecture. Inside, it has five slots for add-on cards, which can provide the connection to a hard disk, printer or modem, as well as such pleasing extras as enhanced graphics and larger memory.

The accessories you will need for the PC depend on how you use it. For word processing, you require only a card to connect the PC to a printer. But if you plan on creating large databases, spreadsheets or graphics, then you should consider a graphics card, additional memory and a hard disk. Each of these options adds several hundred dollars to the price of your system, except the hard disk, which adds one or two thousand.

Hard disks are becoming increasingly popular on personal computers. They are external storage devices that work faster and store more information than floppy disks, between 30 and 60 times

more. IBM offers a version of its PC with a 10 megabyte hard disk (it holds 10 million characters), called the IBM PC XT. An XT sells for less than \$5,000 in Britain and as much as \$6,000 in Italy.

IBM recently began selling its new PC AT computer, which operates faster than most competing systems, has a higher-capacity floppy disk drive and hard disk. But the cost of the AT is also high, more than \$7,000.

The IBM PC may not be your ideal computer. Its keyboard has been widely criticized for its placement of several keys, and a discriminating buyer should consider some of the alternatives. Many of these systems are compatible with the IBM PC, meaning they can use the same software, add-on cards and peripherals. Hence, they often possess the main advantages of a PC at a reduced cost. Some offer better performance.

Olivetti, Europe's largest office-equipment manufacturer, has an impressive line of personal computers. The M24 is Olivetti's standard desktop computer, the same machine Olivetti supplies to AT&T in the United States, which sells it there as the AT&T 6300.

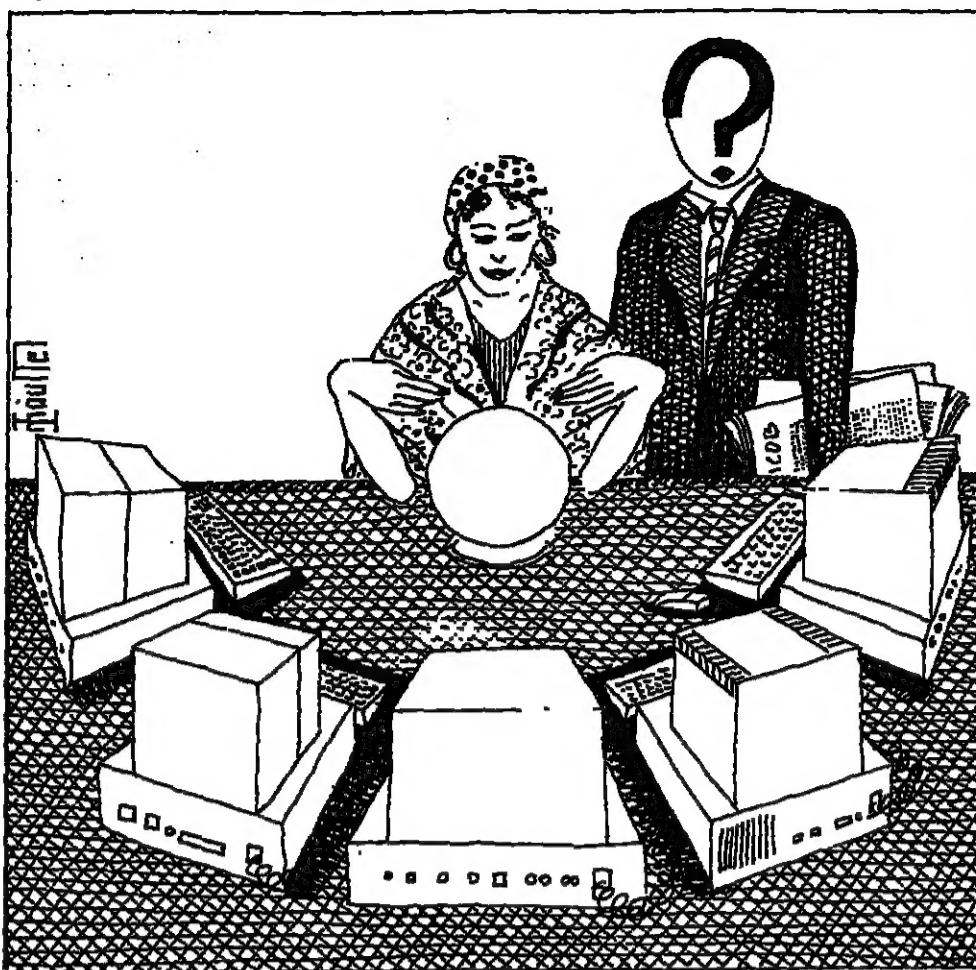
The M24 is fully compatible with the IBM PC. It also offers several improvements. Due to newer technology, it runs programs nearly twice as fast, boasts a higher resolution screen and has a plug at the front of the keyboard to connect a mouse, a handheld device that moves the cursor on the screen. The disk drives conveniently cause the disks to pop out when the door is opened. The hardware is smaller and has a monitor that tilts.

A standard M24 comes with 128K of internal memory, which can be expanded up to 640K. Models with one floppy drive, or two, or a floppy and a hard disk, are all available. The M24 generally sells for several hundred dollars less than a similarly equipped IBM PC. Ever since the portable Osborne 1 appeared in 1981, personal computers have been getting smaller and lighter. Both IBM and Olivetti offer portable versions of their computer that come with a carrying handle. However, these machines are not featherweights. They weigh around 28 pounds (12.6 kilograms) and you will not want to tote them all day.

Compaq Computer of Houston makes the most popular portable IBM-compatible sold in the United States, and last year Compaq began offering its line in Europe. Compaq also has a portable with floppy disk and one with a hard disk called the Compaq Plus. In addition, it sells a nonportable system called the Deskpro, which resembles the Olivetti M24 in performance.

Less compatible with the IBM PC but more portable are two lines made by Apricot, Britain's most successful personal computer manufacturer, which last year took 4.6 percent of the European market. All Apricot computers employ the MS-DOS operating system, but the system cannot use add-on cards developed for the IBM PC and will not run all PC software. Instead, the company has contracted with many key software firms to modify their programs especially to exploit Apricot's singular features.

Apricot offers several computers with noteworthy and controversial characteristics. The most important of these is the Apricot FF, a portable that weighs 13 pounds (Continued on Next Page)



## User Groups Pick Up the Pieces For Owners of the 'Orphans'

By Beth Karlin

**LONDON**—The precarious state of many personal computer makers today is worrisome to more than just investors. Users can suffer, as well, when their equipment manufacturers go bankrupt or get out of the PC business.

Indeed, millions of PC owners have already faced the problems caused when their equipment is discontinued. Software support comes to a halt, spare parts are hard to find and maintenance becomes difficult.

"Without support from the manufacturer, you're on your own," said Tony Carter, marketing manager of Computeraid Services, a unit of Thorn EMI that repairs personal computers. Left on their own, however, PC users have proved resourceful. Many have formed user groups to help each other make the most of their "orphan" machines by sharing information on such topics as spare parts and software availability.

One of the largest organizations is the First Osborne Group (FOG), which now has more than 15,000 members two years after Osborne Computer Corp. filed for bankruptcy. "We picked up the pieces," said William Graham, head of FOG in Paris.

Chapters in Britain and West Germany also serve European users. Although Osborne has reorganized under new management since, it still counts on FOG for help.

"When Osborne became the first big victim of the shakeout, it was a warning," said Mr. Graham. Owners of other makes realized that they, too, could benefit from a user group, leading to the creation of the 400-member Ordinateur Utilisateurs France (OUF), of which Mr. Graham is president.

Unlike FOG, which was a direct response to Osborne's failure, OUF and other groups were created to help owners of current PCs as well as orphans. With 400 members in Europe, APPLE Co-op, (Apple Pu-

getsound Program Library Exchange), assists users of early Apple IIs in finding software and spare parts, while serving owners of later models as well.

"We try whenever we can to introduce new products that are compatible with early models," said Charles Sillman, APPLE manager of product development. Parts are more difficult. "The older they are, the less likely it is that we can find them."

Usually, manufacturers themselves, if they are still in business, are the best source for spares. Commodore Business Machines, for one, supports a product with spares for seven years after its shelf life.

Spare parts can also be found at third-party maintenance operations. Britain has more than 170 companies that repair machines for dealers and individuals, and business is booming. In four years, Thorn EMI's Computeraid, for example, has increased its turnover 12 times.

"There's no shortage of people who can fix machines," noted Russell Nathan, managing director of Romer Ltd., a market-research and consulting company near Maidenhead, England. Mr. Nathan said that the parts scarcity is not as severe a problem as it might first appear. Due to increasing standards, he said most PCs now have a high percentage of common parts. "While there might be one maker's name on the box, there's nothing inside that hasn't been seen before in someone else's box."

Personal computer owners can also suffer losses when a software company goes under, particularly when that software supplier employs an anti-piracy method called "time-bombing." At a random date, a message flashes on the screen notifying the user to call the software company for a new code, thus assuring that only those that purchased the software can continue to use it.

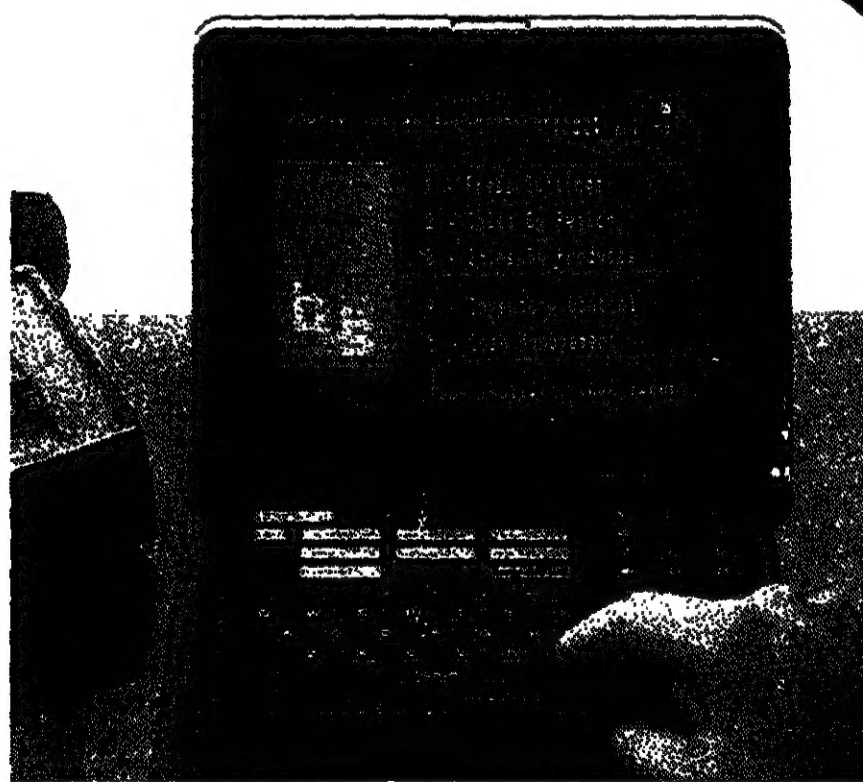
In at least one case, a software company that built "time-bombs" into its programs went out of business and virtually disappeared,

making it impossible for users to get a new code. England's Micro-Decision magazine reports that Logical Step's C/FACC accounting package is just such an example.

"If a company goes out of business, you can be left high and dry, which is exactly what happened in this case," said Margaret Coffey, editor of the magazine.

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## Market Expands for Foreign Language Software

By Helena Sturridge

**LONDON**—A year ago asking a French microcomputer "Parlez-vous Français?" or a German one "Sprechen Sie Deutsch?" would have been met with a blank screen of incomprehension or a suggestion that you check your spelling.

All but a handful of the top selling microcomputer software packages were written in the United States by Americans and for Americans. The British had few problems but for the rest of the world it was a matter of learning to use the software in a foreign language.

Today the U.S. software companies are struggling to get their products translated into European languages to open up new markets as the U.S. ones tighten.

According to IDC Europa, market researchers based in Britain, the Western European market for business computers is going to grow from 911,100 machines this year to 2.9 million machines in 1988. The United Kingdom represents only 10 percent of this market.

"People buy in their own language, even if it is an inferior product, even if it is an inferior translation," said Carl Armitage, European marketing manager of Ashton Tate.

Over the last six months the company's top selling database packages, DBase II and DBase III, and its integrated word processing, Framework, have been translated into French, German, Italian, and Spanish, Dutch, Swedish, Finnish and Danish are all on the way.

It pays to be first in any country. Micropro's Wordstar, the popular word-processing package, was available in French and German three years ago at least 18 months ahead of the competition and before the local suppliers had developed their products. Microsoft's Multilingual Lotus 1-2-3 to the French spreadsheet market and is still the favorite.

In the first instance the problems were technical. The original version of Lotus 1-2-3 will never be translated. The latest version, 2.0, has some basic level changes that make translation possible. French and German will be available shortly. The problem was fundamental. In the original the text that appeared on the screen, in commands, or help messages, or even in the menus from which users select the option they want, was embedded in the code where and when it suited the writers to put it there. To translate the words meant first finding them and then replacing them with a translated word of exactly the same number of characters to fill the space.

Sensible software writers, Lotus Development included, now organize their software code so that all the text messages are kept in one place where they can be easily found.

But the problems of translating come in layers. Once one level is made easy the others become more important. Large technical manuals must be translated. There are in fact software packages to help, swapping word for word from one language to another. They leave a

rough text for translators to make fluent. But then examples must be changed as endless baseball has little relevance in European markets. Also all the illustrations of screens must be redone to take into account the new languages they display. Little is left of the original manual.

With the software itself the new technical approaches have solved some of the problems but getting the rest right is difficult. Alain Blancquart, Micropro's French managing director in charge of all its Western European markets, said that with its latest product, Wordstar 2000, "all the commands are based on mnemonics; it is very difficult to translate them." Good software depends on giving the user an intuitive sense of what is meant by rather abrupt commands.

Even the translations have rippling effects. 'Help' or 'H' as it appears on the screen becomes 'Aide' or 'A' in France. It is then sorted into a different alphabetical sequence and so appears in a different part of the screen as well.

All sorting in foreign languages causes more headaches for U.S. packages as they do not know what to do with an é or a ç or ñ. Even more problematical is the spelling checker. It is common with most U.S. word-processing packages but difficult to translate into languages where verbs must conjugate and adjectives change their sex. Micropro has only just launched the first French spelling checker.

"The better we get," Mr. Blancquart said, (Continued on Next Page)



## A SPECIAL REPORT ON SMALL COMPUTERS

## Executives Find PCs Aid Autonomy, Productivity

By Hanns G.K. Schwimann

PARIS — While the mass of today's middle- and low-tech industries are carrying out modernization in the plant for their survival, they are attacking the new frontier of trying to boost productivity in the office. White-collar costs are racing far past the revenues produced by the basic industries' flat markets.

The reasons for these mounting administrative costs are many: shorter work hours, a greater number of complex tasks, fewer well-trained entry-level workers and higher turnover. Chief executives are concerned about the problem. In 1978, less than 20 percent of European executives believed that white-collar productivity was an important issue; 52 percent of them believe it is today and 67 percent believe it will be very important by 1989.

To solve this problem, executives are trying to capitalize on dramatic advances in micro-electronics and electronic networking, which make computers easier to use and capable of better performance. Stiff competition among manufacturers, off-shore manufacturing in the Far East and the multiplication of distribution channels have reduced prices so far that the personal computer is now a mass-marketed consumer good.

Set into the office worker's desk, it makes available all the computing power and storage capacity needed to complete daily work better and faster. Under the impact of automation tools, and the trend of granting greater decision-making authority to smaller corporate entities, the way office duties are performed are slowly but surely changing.

The desk-embedded personal computing devices have achieved their popularity because they help office workers do what they want and need most: to manipulate on-site their own information in the form of words, numbers and pictures, to perform many types of personalized computing, interactive graphics and filing of personal reports or similar information.

The technical model of the device may vary. Many of the machines on the market today are able to meet the office worker's needs equally well: single-user PCs, user-programmable terminals, multiuser micros locally networked to departmental or work-area minis, which share expensive resources like printers, graphic terminals, integrated workstations, tomorrow's terminals integrating voice data and PC functions, portable PCs, etc.

The form does not matter, what is really pushing the PC-proliferation is the individual's freedom of having computing power at his fingertips. Many white-collar workers are disappointed, rightly or wrongly, by the rigidity, slow response time, heavy bureaucracy and the need to share that is inherent in many management information systems. With the PC, these individuals can now rapidly implement their own solutions, make purchases from the corner computer shop with funds from their own departmental budget, buy low-priced software tailored to their specific needs, innovate with many com-

patible add-ons and extend their systems by discrete building blocks as they want.

It is this freedom that generates greater worker motivation and increases productivity.

Few white-collar workers actually require linkups to mainframes in order to process large amounts of data or gain access to databases. Only 20 percent of the white-collar population of industrial corporations need to be hooked up to a conventional mainframe on a regular basis. On the contrary, more than 50 percent of the office workers need only dedicated units for specific tasks and require only occasional access to the strong processing power of mainframe utilities. Therefore, top management favors the mushrooming of PCs in their corporation in a first wave of office automation.

There are dangers, however, in the random proliferation of personal computers throughout corporations. Offices are centers of teamwork and the full potential of desk-top

**Perhaps as many as 50 percent of business employees in the United States will have a personal computer for support by 1990.**

computers for the individual and his corporation is only achieved by adding communications facilities for information transfers, such as electronic mail, linkups to in-house databases and outside information sources or conferencing services.

Only through the combination of all three elements of office automation — personal computing, communication, motivation — will office workers reap the full potential of saving 15 percent of their time — equal to one hour per day — and improve the quality of their work. The goal is the electronic office that uses an integrated system to reduce the reams of paper today's offices churn out.

To date, only 20 percent of the PCs in use are able to communicate. In the future, the Tower of Babel's numerous incompatible systems may be expensive to overcome. This will be especially true when a corporation decides to integrate its islands of office and factory automation and to put advanced software, like relational databases and expert systems, to work. For that reason, forward-thinking chief executives are making sure that a measure of standardization is achieved in all PC procurement.

In the United States, about 17 percent of all white-collar workers and 14 percent of those in government now use personal computers, but only 5 percent in Western Europe.

The PC boom is now so strong that, since 1984, micro-computer power has outstripped mainframe-computer power in the United States. By 1987, the installed power base of micro-computers in the United States will exceed that of mainframe computers.

As a result, it is estimated that as many as 50 percent of business employees in the United States will have a personal computer for support by 1990. By that date, some of Europe's most advanced corporations, like FIAT, also plan to provide computerized support for 50 percent of its office workers, compared with an anticipated European average of 22 percent. And it will be the mid-1990s, at the earliest, before 75 percent of the office workers in the United States and 50 percent of those in Europe will benefit from the support of a professional desk-top micro-computer. But PCs will never be quite as widespread as telephones.

While the personal computer's penetration of the business world is growing rapidly, the consumer market for home use is still larger in total number of units. Already, boosted by workaholics, moonlighters, computer addicts and hackers, personal computers have entered 16 percent of all U.S. households, half the videotextor penetration rate. By 1990, it is predicted that the personal computer will be present in up to 30 percent of U.S. households and perhaps half of those PCs will be videotext-compatible. In addition, most governments promote the use of PCs in school at all levels of education.

Ironically, many purchasers of PCs do not have today a precise idea of the real purpose for a PC's home use. But these individuals are eager to make the purchase so they can feel that they and their families are participating in the new technological age. Questioned about the electronic home in 10 years, consumers usually mention a broad group of convenient and reasonably priced services such as home banking, shopping, bill payment, entertainment, ticket reservations, household accounting and budgeting, home monitoring, vacation and travel planning, video games, appropriate linkups to business services and telephone listings.

Perhaps 27 percent of consumer revenue could be tapped by advanced videotext services. Unfortunately, in practice, few of these services are available on a large scale and even less are purchased. Videotext suppliers, which link the personal computers in homes to many of these potential services, view these indications of their future market with relief.

In Europe, governments are trying to stimulate the use of home information systems through the allocation of public funds. The public post office, telephone and telegraph utilities — the PTTs, and in particular the French PTT — are pushing the use of inexpensive videotext terminals by private consumers as well as businesses. Some PTTs offer micro-computing capability in low-cost videotext terminals for the home. And the British and Austrian PTTs offer systems that can use telephone lines to gain networked access to computer programs stored in software banks maintained by vendors.

The author is a vice president and computer analyst at Booz-Allen & Hamilton, international consultants.

## Learning To Live With Your Computer

By Sarah and Paul Edwards

SIERRA MADRE, California

Computers do not require much special attention to settle comfortably into most homes. Within seconds, a car full of children can rush into a house with computers under arm, cables and joysticks flying behind them, hook up to the television and challenge the latest video game.

Having a computer underfoot when you turn on the evening news, however, is not most people's idea of a "user friendly" workstation. So even though today's personal computer can make itself at home almost anywhere from the kitchen to the garage, taking a few simple steps will prevent your newest electronic resident from straining the household with cables and cords, usurping desk space and putting a crick in the neck and a strain on the eyes.

Before deciding where you want your computer, consider these factors:

• What will you and others be using your computer to do? In addition to your work, will someone be doing homework on it? Playing bills? Keeping recipes? Playing games? Using it with the telephone for communications? Place your computer for convenience near a filing cabinet, bookshelves or other equipment you will need while using it.

• Where will you be most comfortable with your computer? Do you like to be in the midst of household action when at the keyboard or do you prefer the silence and isolation of a separate room? And what about others coming to your home? Do you want the computer where everyone will see it or would you prefer it to be out of sight?

• Where is the computer least likely to encounter misuse and abuse? Usually, you do not have to make any special electrical or temperature adjustments for your computer. Some problems can arise that you want to avoid, however. They include heat buildup in the computer itself, electromagnetic fields from other equipment and static electricity. All of these problems create the risk of losing valuable material or disrupting the operation of your equipment.

So find a well-ventilated spot in a room that does not get so warm you would break into perspiration while using your computer. If it is too hot for you, it could be too hot for the computer. Do not stack your computer components or enclose them in tight spaces. Keep your equipment and disks away from ringing telephones, stereo speakers, calculators, magnetic paper holders and power tools.

You will find your computer is poorly suited to standard tables or desks around the house. The traditional height of 29 inches (74 centimeters) for writing surfaces is less than optimal for working comfortably at a computer; 27 inches (69 centimeters) is desirable.

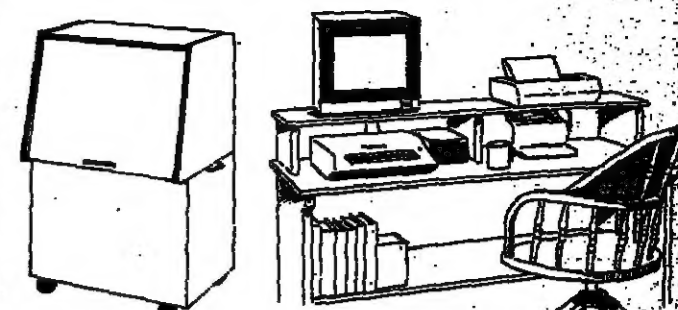
Computers are overusers when it comes to space. Your computer desk not only needs room for the computer unit, keyboard and monitor, but also space for the printer and paper, a modem and other peripherals you have or will have. Add in the documentation and the computer has consumed your desk entirely.

So, set up a separate work unit for the computer that is deep and wide enough for all the components, has multiple surfaces so you do not have to stack components and provides unobstructed channels or holes for cables and cords.

A study of computer users by the Buffalo Organization for Social and Technological Innovation



Some ideas for adapting a home environment to a personal computer from the book, "Working From Home: Everything You Need to Know About Living and Working Under the Same Roof," by Paul and Sarah Edwards (Published by Jeremy P. Tarcher, Inc., 1985).



multiple settings or overhead lighting with dimmer switches. An amber monitor will reduce eyestrain or you can also fit your monitor with a glare screen.

Although standard electrical wiring will usually accommodate your computer (older homes may be an exception), power disturbances can be frustrating. Power outages, voltage fluctuations and line noise from nearby switching equipment or radio/television broadcast signals can wreak havoc with your computer.

Developing a habit of routinely saving your work is the best protection from lost data, but for your own peace of mind you can take other steps as well. Using a surge protector will guard against high voltage current rises and electrical noise. If you have problems with power outages or with blowing circuit breakers, you can use software that automatically saves data on disk or buy a backup power-supply device.

You will find a wealth of other computer accessories in local computer stores or advertised in computer magazines. They include copy holders, sound covers to reduce printer noise, auxiliary fans for cooling your system, mistletoe spray, floor mats and discharge devices, master power switches for the entire system, cable managers, computer cleaning kits and radiation-protection screens.

The authors operate a computer training and consulting firm.

## When to Buy: It's No Longer Safer to Wait for New Models

(Continued From Previous Page)

The FP's screen is a flat-panel LCD (liquid crystal display). Although it can show as many lines and characters as standard monitors, LCD technology irritates some users. Unlike most screens, which emit light, the LCD reflects it and functions well only under proper lighting conditions. Even then, it remains somewhat dim. The computer does have color elec-

tronics built in and can be connected to a color monitor. The FP also has an infrared keyboard and mouse, which eliminate two more cords from your desktop. But to work properly, the keyboard must be within two meters of the computer and in direct line with it. Apricot also offers a thin fiber-optic cord to connect the keyboard

and the mouse in a traditional manner.

Built into the system is a disk drive, which, although small in size, can hold twice as much information (about 350 pages) as most standard floppies. Two different versions of the FP are available. One, with 256K of internal memory, costs about \$1,300, and the other, with 512K, about \$1,900. The

system is lighter than other portables, but you need both hands to carry it. Apricot's most successful computers lack infrared technology. Its PC is a desktop system with two microfloppy drives for \$2,400, and its PC Xi has one floppy disk drive and a hard disk for \$4,500.

Apple Computer, which last year garnered about 9 percent of the European market (mainly in France), remains the only major player with systems that are not IBM compatible.

For business use, Apple sells its IIfx, essentially the same computer responsible for Apple's rise from a tiny firm to an international company. It is not as powerful as an IBM PC and can support only 128K of memory, although Apple is expected to increase its capability significantly this month. The Apple IIfx boasts a great deal of software. It sells for between \$1,000 and \$1,300 with a monochrome monitor.

Apple's Macintosh is the most technologically advanced personal computer among the big sellers. The Macintosh uses a mouse pointing device, comes with up to 512K of internal memory, a bit-mapped graphics display that allows multiple fonts and type sizes, and a famous user interface that makes it easier to learn and operate the computer.

The Macintosh has its disadvantages. It lacks the useful IBM compatibility, takes floppies with limited storage (400K) and has a system with close architecture, making it impossible for a user to add additional memory or certain other enhancements.

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Simple to sophisticated.

Iskra 61000, Iskra 61000, Iskra 61000, Iskra 61000, Iskra 61000, Iskra 61000, Iskra 61000, Iskra 61000, Iskra 61000, Iskra 61000

## Computer Systems Under \$25,000 — Units Consumed

	1983	1985	1987*	1989*
United States	5.4	6.9	11.2	16.3
Europe	2.2	2.7	4.6	7.7
Pacific Basin	1.6	2.5	4.4	7.0
Rest of World	0.5	0.7	1.2	1.9
Worldwide	9.6	12.8	21.2	32.7

\* Projection

Source: Infocorp

## How to Choose a PC In a Stabilizing Market

(Continued From Previous Page)

offers significant benefits in ease-of-use and graphics. A large and growing library of applications exists for Mac. A buyer must seriously evaluate what use will be made of the PC and who will use it and decide accordingly.

A common dilemma for the user is whether to step up to today's technology knowing that new products could be available soon to make this investment obsolete.

Choosing a vendor is again important because the quality leaders will provide upward migration paths. That personal computers have short product life cycles is a misconception.

The ongoing evolution of the Apple II created a 10-year-old product, the IBM PC is four years old and still going strong. By the end of 1985 a customer may buy an IBM PC with 512K memory and a 10 megabyte hard disk drive for \$1,500. That represents an incredible hardware value that can be used effectively for many years. It could be that today's technology is just what you need.

While the staying power of the vendor is important to the evolution of the technology, everyday support is more likely to come from the dealer who sold the product. The shakeout in the computer distribution channel will not be over for some months. When choosing a dealer it is important to know the level and type of service and support options that are offered and executed to satisfaction. It is also good to know the financial condition of the dealer, and information about large publicly owned chains is readily available. Price is not everything when deciding where to buy.

Over the next two years, the PC/XT family is expected to remain a strong mainstream product. The relatively new PC AT Intel 80286 based architecture has yet to be fully implemented to offer complete networking and multi-user capabilities. While IBM has announced that there is no such thing as the long rumored PC2 — believed to be a lower priced version

of the AT — skeptics are still looking for a product in that position in 1986. IBM is also expected to offer connectivity between the PC family and System 36.

Most believe the easy personal computer sales have already been made to leading-edge technology integrators.

Growth will come from upgrading these users and from capturing the next tier of nonusers. Ease-of-use features represented by Apple's Macintosh technology are likely to become standard. Graphical user interfaces and output from laser printers will be important. Micro-soft is soon to ship a graphical user interface for the IBM PC. Windows.

The market will watch the acceptance of Windows and IBM's Top View interface.

Common wisdom has held that the last thing the world needs is yet another spreadsheet, word processing or data-base application.

Yet new products that incorporate advanced features, artificial intelligence technology and that can take advantage of higher performance personal computers are expected to be introduced over the next 12 months.

Communications will be a major growth area for the industry over the next 18 months.

PC-to-PC communications, micro-to-main-frame links and telecomputing capabilities are becoming increasingly important to business. While hardware is available to meet the solution, software has lagged.

IBM is soon to establish networking standards, and applications will merge to incorporate communication capabilities. To date, growth in the industry has come from demand for general productivity applications. While these will continue to be important, customized applications are emerging.

Value-added resellers, who understand particular industry needs and tailor hardware and software systems to meet the specific needs of these users, use the same approach as the turnkey systems in the microcomputer market.



## Using a Computer: The Bark Can Be Worse Than Byte

By Don Till

WASHINGTON — Modern personal computers (PCs) are not toys. Many of them have the power to perform all the computing required for a small business. In the home, the PC can become the center of many family activities, from leisure to serious business.

For a number of reasons, among them fear of the unknown and lack of familiarity, the PC has not yet gained the acceptance level of other consumer products. This article provides a basic introduction to PCs for the novice.

PCs are easy to use. Most of us appreciate the benefits provided by modern electronic and mechanical devices of all kinds and are quite content to use them without any knowledge of how they work. Sit in a vehicle, switch on the ignition and activate the starter, the engine will turn. Put the car in gear and depress the accelerator and you will move forward or backward.

Behind all these simple functions lies a very sophisticated machine, well beyond the comprehension of the average motorist, yet if these few simple steps are carried out in the right order, anyone can drive a car.

Personal computers are a lot like automobiles in this respect. You do not have to know how they work to enjoy the benefits they provide. Learn a few basic functions, carry them out in the right order and you can operate a PC just as easily as you drive a car.

Hardware and software. Personal computers all have two basic components: hardware, the parts you can see and touch, and software, the list of instructions that tell the hardware what to do. Software is provided in the form of all necessary computer instructions recorded on either tape cassette or magnetic disk.

To understand how these components work together, think of hardware as an orchestra. Everything is there, violins, trumpets, trombones and drums, but nothing will happen without a conductor and musical score. In a PC, the central processor, memory, monitor and keyboard may all be there, but nothing will happen without "operating system software" (the conductor) or "application software" (the musical score).

Just as a conductor coordinates the activities of the different or-

chestra sections, system software makes sure that information is passed between keyboard, screen, floppy disk and printer in an orderly manner.

But unless all orchestra sections have a musical score in front of them, there will not be any music produced. In a PC, unless all components are using the same application software, you will not be able to write letters, calculate, access an information service or play games.

When you buy a PC, you are always provided with operating system software that matches your hardware. With very few exceptions, you cannot run that same system software on another type of PC and seldom will another PC's system software run perfectly on yours.

Application software you buy according to what you want to do, but you must also buy programs that are designed to run on your particular PC. Software designed for the IBM PC will not run on Apple, TRS 80 or Commodore, and vice versa, although you may be able to get the same software in different versions to suit each type of PC — just as you can get the same music scored differently for piano, quartet or full orchestra.

As a practical matter, loading system and application software, either separately or together, requires no special skill and takes a few seconds.

Hardware options. All PCs must have a central processor (to do all the calculations, transfers etc.), a memory, (to store the software and your information), a monitor, (to display what you enter and computer responses), a keyboard (to enter information and commands) and a tape player or disk drive (to load software into the memory and to store your information permanently).

The memory in the PC loses all information stored, including the program, when the PC is switched off, but you can keep it all on tape or disk for as long as you want.

Improved performance can be obtained in systems with more than the above basic components. For example, a basic system might have 64,000 characters of memory (64k) but systems expandable to 640k and more are now available. A second floppy disk drive (the removable magnetic disks are called "floppy" because they are flexible) would provide more permanent

storage (typically 360k each disk) and would allow easy copying of programs and information from one disk to another.

Buying a PC. The cost of a basic system can be as low as \$200, using your own television set as a monitor. Such systems are fine for games and learning computer basics and, in fact, a lot of inexpensive software has been written for low-cost computers. At this price, however, you must expect limited memory, probably 64k and not expandable; your monitor will display 40 character lines instead of the more convenient 80 and operation will be relatively slow.

If you are interested in serious home computing, a powerful starter system suitable for most people would consist of a PC with 256k memory, two disk drives, monochrome monitor and printer. This will cost \$2,000 and up. Substitute a color monitor if you want to play games (\$300 extra) or add a modem (\$200 to \$300) if you want to communicate with the outside world. Such a system will allow you to use most popular software and is versatile enough to retain your interest.

Software options. You get your system software with your hardware, so the only software you have to worry about is application software, and you have a wide choice, growing wider every day.

Newcomers should look at these, too. The best ones can be found in most European railroad stations, airports and better bookstores. Some of the best examples are PC World and PC Magazine, both published for the IBM PC user; Mac World, published for the Macintosh user; A+, published for the Apple II family; Hot CoCo for the TRS-80

home computing, a powerful starter system suitable for most people would consist of a PC with 256k memory, two disk drives, monochrome monitor and printer. This will cost \$2,000 and up. Substitute a color monitor if you want to play games (\$300 extra) or add a modem (\$200 to \$300) if you want to communicate with the outside world. Such a system will allow you to use most popular software and is versatile enough to retain your interest.

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## Mega-Marketing by Magazine

By John C. Dvorak

BERKELEY, California — It is an old but firm rule: If you are going to buy a personal computer, you had better read a lot of the popular magazines beforehand. That is the way it has been since the introduction of the microcomputer in 1975 and it continues to be so today. I do not know of another industry where magazines so dominate the marketing scene.

The computer stores were quick to discover this phenomenon. The stores, at first, tried to control the flow of products with the old-fashioned sales pitch. It did not work. You could not convince a would-be buyer (whose mind was made up by the magazines) to purchase anything he or she did not already want to purchase. Store owners just hoped to have the product available for them so they would not go elsewhere. Now the stores look at the magazines to see what is hot, buy it and wait for the pre-sold customer to wander in to purchase it.

The root cause of all this is the granddaddy of the microcomputer specialty magazines, Byte, published by McGraw-Hill, it is available worldwide.

"It's more technical than newcomers can handle," admits a former Byte staffer, John Markoff, who now tracks the industry for the San Francisco Examiner. "But even newcomers to the scene can understand the general interest columns and the advertisements."

At one time, people felt Byte was only read for the ads. Byte has a Vogue magazine-like allure. You just want to flip the pages to see what is happening. If you advertise in Byte, you are "in."

I recommend that newcomers, looking for their first microcomputer, should immerse themselves for at least three months in the best of the American-produced magazines. These include general interest magazines like Personal Computing, Popular Computing and Creative Computing. You should note, though, that the general interest magazines are suffering a subtle but disconcerting decline in popularity as established users move to magazines that just talk about their brand of computer. These are called machine-specific magazines.

Newcomers should look at these, too. The best ones can be found in most European railroad stations, airports and better bookstores. Some of the best examples are PC World and PC Magazine, both published for the IBM PC user; Mac World, published for the Macintosh user; A+, published for the Apple II family; Hot CoCo for the TRS-80

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Software options. You get your system software with your hardware, so the only software you have to worry about is application software, and you have a wide choice, growing wider every day.

color computer, RUN and Ahoy! for the Commodore machines.

And there is Byte Magazine. While Byte is written for the advanced user and hobbyist, it is still highly recommended for advertisement scanning and for an easy-to-read general interest column written by a popular science-fiction author, Jerry Pournelle.

What do some of the professionals who are in the microcomputer industry read? "We always look at England's best computer magazines when we're in England or Europe," says Ron Brown, president of Osborne Computers. "That means Personal Computer World. If you can read German, I can recommend the slightly technical Micro magazine from that country. Other than that, the best American magazines are preferred. For general news, Computerworld has versions of its magazine everywhere. They're excellent."

Mark Kvamme, vice-president at International Solutions, agrees. "All the CW-Computerworld magazines are excellent in Europe and England, but there still are no up-to-the-minute micro-oriented American newsmagazines like InfoWorld over here," he said. He and other executives in the business still need to ship over many of the American publications from home.

Many executives contract with special companies that will accept their U.S. domestic mail and mail it to them anywhere in the world for a small fee. One such company, International Postal Service of San Francisco will do it for \$15 a month plus the cost of postage. You simply use their address to receive your mail and they ship out a bundle every week by airmail. "We also accept UPS, Federal Express and drop off packages to be mailed," the owner, Hiroko Thompson, said. International Postal Service comes highly recommended.

Some parting advice from one who both reads and writes for these magazines. If you are a complete novice, you will pick up one of the magazines and read about "20-megabyte hard disks" and you will not know what a hard disk is (let alone a megabyte). Do not worry about it. This is one of the few industries where it is required (through these crazy magazines) to teach yourself through simple osmosis. The confusion miraculously goes away after a few months and you become the neighborhood computer expert.

The author writes computer columns for a number of publications, including InfoWorld and PC World.

## Switching On, Internationally

WASHINGTON — Personal computer users are fortunate in having at their disposal a number of international networks suitable for communication from PC to PC and from PC to host computer.

The Public Telephone Switched Network (PTSN) is typically used for PC communication at 300 or 1,200 baud (300 or 1,200 words per minute). Higher speeds are possible, 2,400, 4,800, 9,600 baud, but modems are then more expensive than the \$200-to-\$600 variety designed for PC use, such as the Hayes Smartmodem.

Packet-switching networks, such as Tymnet, Telenet (United States), Transpac (France) and IPSS (Britain), were designed as interactive "database access" services to link terminals to database services such as Dow Jones, Compuserve, The Source (United States) and Data-solve (Britain). These networks consist of large numbers of computers (nodes) all interconnected by reliable, high-speed channels. Host computers have multiple permanent connections to these networks, now available in more than 60 countries.

Some of these networks now also permit PC-to-PC communication. Tymnet's Async Outbound service permits a subscriber in France, for example, to access the Transpac network and instruct the Tymnet network to dial up a connection to a PC in the United States. Packet-switching charges are based on a combination of monthly subscription fee, connect time and characters transmitted and received. Average charges are a \$25 monthly subscription, \$10 per hour connect time and \$12 per 64,000-character kilosegment.

Instead of calling an international number direct, as would be the case with the PSTN, packet-switching subscribers make a local call to their nearest node, then key in the address of the distant subscriber they wish to reach. The network alerts the node nearest to the called party, which then establishes a connection, either over leased line or dial-up via a local PSTN call.

Tymnet's recently announced X-PC service permits PCs to establish virtual connections to up to 15 hosts or PCs, which can be accessed one at a time, without the need to re-dial the network each time.

Unlike the PSTN, packet-switching networks are "intelligent," capable of alternate routing, speed conversion, error correction, flow control, fault signaling and a host of other features. One end of a packet-switched connection can operate at 300 baud, for example, while the other operates at 1,200 baud. The network makes the

speed changes and controls traffic flow. Generally, costs for a particular transaction are lower on packet switching than on the PSTN.

Circuit-switched Datas L networks, running at 2,400, 4,800 and, ultimately, 9,600 baud, can also be used for PC communication, but are expensive if traffic volume is low.

Any personal computer equipped with a modem (MODulator-DEModulator) and communications software can communicate with another PC or with a host computer. In the United States, Canada and several other countries, the most common PC modems, such as the Hayes Smartmodem, follow Bell standards: Bell 103 for 300 baud, Bell 212 for 1,200 baud. Modern modems are dual speed, 300 and 1,200 baud, and switch to match the speed of the calling modem. All are full duplex, permitting simultaneous transmission in both directions.

In Europe and most other countries, modems follow CCITT standards: V21 for 300 baud, V22 and V23 for 1,200 baud.

Complicating this issue is the fact that although Bell modems work perfectly well in Europe (thousands are in daily use), and CCITT in the United States, Bell

modems are not approved for use in Europe and CCITT modems are not generally available in the United States. This is not a problem in packet switching but it is a serious problem when the PSTN network is used, since the modems at each end must be compatible. For a 300-baud PSTN connection there must be either Bell 103 modems at each end or CCITT V21s at each end.

Just as modems at both ends of a connection must be compatible, so must the PC character and code set. The common language used by host computers and PCs is either ASCII code or CCITT code 5. In basic alpha numerics, these character sets are compatible and, in both cases, a character is made up of a combination of 10 "bits" of information.

PCs, nodes or host computers linked directly together by a modem connection must operate at the same speed, with the same parity, before information can be exchanged.

The Integrated Services Digital Network (ISDN), currently in the first stages of implementation in Europe and the United States, will be the communications network of the future.

— DON TILL

### CONTRIBUTORS

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SARAH and PAUL EDWARDS operate a training and consulting firm in California and have developed a personal-computer management system. They have co-authored "Working from the Home" (Jeremy P. Tarcher, 1985).

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DON TILL is vice president of the Los Angeles Times-Washington Post News Service and director of communications at The Washington Post.

## Nixdorf makes a rosy future happen faster



It used to take a long time for companies to grow. Corporate progress came in slow, steady, predictable steps. Systems were developed gradually, networks took years to evolve, and international activities were the result of tedious and painstaking effort over years.

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**NIXDORF**  
COMPUTER



	Vol.	High	Low	Last
BAT in	1363		3 1/4	3 1/4
Widex	423		3 1/4	4 1/8
Widex 1700s	2721	41 1/2	41 1/2	3 1/2
Impco	287		2 1/2	2
Chemco	1779	16 1/4	15 1/2	15 1/2
Tealor	1977	16 1/2	15 1/2	16
Widex	7902	16 1/2	15 1/2	16
Widex	1767	16 1/2	15 1/2	16
Hmc in	1558		15 1/2	15 1/2
1400		3 1/2	3 1/2	3 1/2
Griff-L	1399	24 1/4	24 1/4	24 1/4
Emco	1255	12 1/2	12 1/2	12 1/2
Amobon	257	12 1/2	12 1/2	12 1/2
Quartz	1256	11	11	10 3/4
Viconia	1211	14	13 1/2	13 1/2

AMEX Stock Index		
High	Low	Close
223.74	220.22	220.72

[illegible]



Statistics Index

AMER. SECURITIES INDEX  
NYSE: 10,000  
NASDAQ: 10,000  
COMPOSITE: 10,000  
DOW JONES: 10,000  
S&P 500: 10,000  
NASDAQ: 10,000  
COMPOSITE: 10,000  
DOW JONES: 10,000  
S&P 500: 10,000

WEDNESDAY, SEPTEMBER 18, 1985

INTERNATIONAL MANAGER

Young European Executives Discover Art Patronage

By SHERRY BUCHANAN  
International Herald Tribune

PARIS — Few European executives have the time or inclination to do anything other than their corporate work. But a new breed of executive arts patrons, rather than donating large sums of money, are contributing other resources: time and skills.

"It's a rare breed. But it's a new trend and younger executives are getting involved," said Colin Tweedy, director of the London-based Association for the Business Sponsorship of the Arts, an organization grouping 150 companies that sponsor the arts.

Mr. Tweedy worked for a bank in the City of London before his current position. One of the younger executives who are getting involved in the arts is Tim Bell, group executive of the Lowe Howard-Spink Campbell-Ewald Ltd. advertising agency and chairman of the newly created Compass Theatre.

Philippe Toussaint is head of corporate finance and a member of the executive committee at Credit du Nord, one of France's largest banks. A graduate of the prestigious National School of Administration, he was inspector of finances at the Finance Ministry before joining the corporate world.

There are all kinds of reasons why, unlike in the United States, few executives in Europe show any individual commitment to the arts. In France, West Germany and the Netherlands, governments foot the lion's share of the arts bill.

"In the United States, there is a field network of executives who are very keen to work with arts groups," said Mr. Tweedy of ABSA. "There is a concept of a skills bank you can rely on. But here (in Europe), the arts world felt they didn't need outside help."

For executives, the main constraint is time. "It isn't a piece of cake to organize a festival," said Charles Moira of the Paris-based Association for the Development of Industrial and Commercial Patronage, the French association that encourages corporate sponsorship of the arts.

Or you have to find the time. "My real problem is lack of time," said Mr. Toussaint. "Life as an executive is very living, it consumes all your energy. So I have to spend all my weekends organizing the music festival."

For those who have made a serious commitment to the arts, individual motivations include making a name for oneself, contributing to the life of the community or fulfilling a personal dream.

"The festival is like my own small business enterprise, I'm alone. I'm responsible for it," said Mr. Toussaint. "I like the creative spirit, and you've got to fight to keep that alive. In business you're always fighting for money."

Currency Rates

Cross Rates	Sept. 17
Amsterdam	2.24
Brussels	2.24
Frankfurt	2.24
London	1.00
Paris	1.00
Switzerland	1.00
Yen	1.00

Other Dollar Values	Sept. 17
Argentine	1.00
Australian	1.00
Belgian	1.00
British	1.00
Canadian	1.00
French	1.00
German	1.00
Italian	1.00
Japanese	1.00
Spanish	1.00
Swedish	1.00
Swiss	1.00
Thai	1.00
West German	1.00

Interest Rates

Key Money Rates	Sept. 17
1 month	5.00
3 months	5.00
6 months	5.00
1 year	5.00

Asian Dollar Rates	Sept. 17
1 month	5.00
3 months	5.00
6 months	5.00
1 year	5.00

U.S. Money Market Rates	Sept. 17
1 month	5.00
3 months	5.00
6 months	5.00
1 year	5.00

U.S. Court Upholds SCM Ban

Hanson Loses Bid to Lift Stay

The Associated Press

NEW YORK — A federal appeals court on Tuesday left in place, for the time being, a preliminary injunction that prevents Hanson Trust PLC from buying any more SCM Corp. shares or voting the shares it now holds.

Barry A. Garfinkel, a lawyer for Hanson, told the 2nd U.S. Circuit Court of Appeals that the injunction issued Saturday by the U.S. district judge, Shirley Wohl Kram, unfairly allows an investor group that includes Merrill Lynch & Co. and SCM management to proceed with its own offer.

Mr. Garfinkel urged the court to stay the lower court order while it reviews the decision. But the appeals court instead promised that it would hear arguments Friday on the validity of the injunction and return a decision early next week.

The lawyer said a new tender offer by Hanson remained "an option." On Monday, the Merrill Lynch investment group began its tender offer for 80 percent of SCM's stock at \$74 a share, or a total of \$740 million.

The investor group, called Merrill Lynch Capital Partners Inc., says that a successful tender offer would be followed by a merger in which SCM's remaining shares would be converted into subordinated debentures — also valued at \$74 a share — of the new, private company.

In addition, Merrill Lynch and SCM, which produces typewriters, food and chemicals, said that they agreed to place the assets of SCM's food and pigments businesses into an escrow account.

SCM previously granted the Merrill Lynch group an option to buy those businesses for \$430 million. Such "lock-up" options, as they are called, are offered to friendly suitors to discourage unfriendly ones.

Judge Kram issued the preliminary injunction against Hanson after SCM filed suit arguing that the British conglomerate illegally bought SCM stock after withdrawing its latest hostile takeover bid.

Hanson withdrew its tender offer last week after the Merrill Lynch group offered a higher bid of \$74 a share, which totals \$906.5 million for SCM's 12.25 million shares. Hanson had offered \$72 a share, or \$878 million.

SCM said Hanson acquired about 3.1 million shares or about 25 percent of SCM stock within three hours of withdrawing its offer.



Visitors looking at a Porsche on display at the Frankfurt Automobile Show.

Japan Auto Sales Rising in Europe

But Firms Think They Must Also Make Large Cars

By John Tagliabue  
New York Times Service

FRANKFURT — The Fiat and Renault rotations on turntables, like the Mercedes-Benz limousines are spotlighted like movie stars.

But out in hangar-like Hall 10 at the Frankfurt Automobile Show, Europe's biggest such show, Japan's cars — made by Honda Motor Co., Nissan Motor Co., Mazda Motor Corp., Mitsubishi Motor Co. and others — are lined up in a used-car lot.

The Japanese share of the 10-million-car European market, industry officials say, has doubled in five years, to more than 10 percent. But Europe's market is stagnant, and excess manufacturing capacity has spawned fierce price-cutting.

So the Japanese are finding that the apple they bit into in Europe is not as juicy as in the United States.

"You can never compare the United States with Europe," said Jurgen Voss, sales director at Honda's West German unit.

Most Japanese cars sold in Europe today are inexpensive compacts and sub-compacts purchased by young people as first cars or by older Europeans as second cars. Nissan's Micra has replaced the Cherry as its front-runner. Toyota Motor Co. gets the most mileage out of its Corolla and Starlet.

The Japanese feel that if they are to keep broadening their market share in Europe, they must also sell medium-size and large cars.

"It's now less of a price concept," said Burkhard Greifath, sales manager of Toyota's West German unit, "but a sales idea linking Japan's technological prowess with low pricing made possible by immensely large production volumes."

At the show, the Japanese have emphasized technology, with large blinking signs demonstrating new fuel injection or brake systems. The cars most in evidence are large, aggressive vehicles designed to compete with those of BMW AG, Saab-Scania AB or Volvo AB, rather than those of Volkswagen AG of West Germany or Fiat SpA of Italy.

Sales of Japanese-made cars continue to grow, particularly in Britain and West Germany. In the first half the Japanese share of the German market.

(Continued on Page 17, Col. 6)

United-Pan Am Pact Opposed by U.S. Justice Dept.

Reuters

WASHINGTON — The Justice Department said Tuesday that it opposed UAL Inc.'s proposed acquisition of Pan American World Airways' Pacific routes, saying the purchase could "substantially reduce" competition on service between the United States and Japan.

In a brief filed following public hearings on the issue, the Justice Department urged that any approval of the acquisition be made conditional on the spinoff to another carrier of one United-Pan Am route between Tokyo and one of three U.S. West Coast gateways: Seattle-Portland, Los Angeles or San Francisco.

In addition, it recommended that some U.S. takeoff and landing rights at Tokyo's Narita Airport and the rights to fly from Tokyo to other points in the Orient, such as Hong Kong, be divested if necessary to preserve competition.

The funding was relayed to the Transportation Department late Monday and made public by the antitrust division Tuesday. It was not clear Tuesday whether the Justice Department would formally intervene to block the accord if the Transportation Department did not heed its recommendations.

The opposition came as a surprise to both the airlines and industry observers. It had been widely reported, following the announcement last April of Pan Am's agreement to sell its Pacific operation to UAL for \$750 million, that the transaction would be approved by the main arbiters, the U.S. Transportation Department and President Ronald Reagan.

On the New York Stock Exchange, UAL shares fell \$3.375 to close at \$49.125, and Pan Am shares dropped 50 cents, to \$7.25.

The Transportation Department is not required to rule on the transaction before Oct. 24, and the president is not required to act until 60 days after that.

Pan Am and UAL rank as the third and fourth largest carriers respectively in the highly concentrated airline market between the United States and Tokyo.

The deputy assistant attorney general, Charles Rule, expressed concern that the sale by Pan Am would transform UAL from a "disruptive price-cutter" to a major player with the ability to maximize profits by cooperating with the International Air Transport Association's efforts to fix fares and restrict output.

The department said it found the increased concentration on flights to Tokyo to be especially troubling because entry by new carriers is severely limited by a U.S.-Japanese bilateral agreement and a scarcity of slots at Narita.

In urging the route spinoff, the department said it would be best to require UAL and Pan Am to sell one of those routes to the highest bidder.

It remained unclear Tuesday how an adverse Transportation Department ruling would affect UAL. The airline has sought speedy expansion this year and is already the country's biggest carrier.

Shortly after announcing the accord with Pan Am, it announced an ambitious restructuring of its pension fund assets and later bought RCA Corp.'s Hertz rental car unit. But some in the business suggested earlier this year that UAL might be placing the wrong bet, putting it in danger of being overtaken by American Airlines.

Despite Emotional Screen, Brazil May Ease Computer Stand

By Alan Riding  
New York Times Service

RIO DE JANEIRO — A couple of lines in President Ronald Reagan's recent trade speech, threatening to retaliate against protectionism in Brazil's computer industry, set off immediate nationalist protests here.

Newspaper editorials denounced meddling in Brazil's internal affairs, while some politicians declared an economic war had been declared. Yet behind this emotional screen, Brazil's traditional pragmatism is stirring.

Aware of the risks of a trade war with the United States, President Jose Sarney has ordered that the dispute be negotiated at a technical level. The entire issue remains politically delicate, however, because Brazil's bid for computer independence has acquired the aura of national security.

When Brazil's Congress drew up the legislation last October, supporters of the free market were smothered. The new law allowed foreign companies to make or sell imported mainframe computers, but it excluded them from the production of minicomputers and microcomputers, the fastest growing sector of the \$1.6-billion domestic market.

U.S. officials protested to no avail. Finally, on Sept. 7, along with cases involving Japan, South Korea and the European Community, Mr. Reagan ordered an investigation to determine whether Brazil's law involved unfair trade practices.

He noted that Brazil had not only restricted U.S. products, but had also "squeezed out" some U.S. computer firms, "an apparent reference to restrictions on Texas Instruments, Hewlett-Packard, Digital Equipment and Motorola."

Brazil's Foreign Ministry says it is ready to discuss the problem, and expressed the hope that Washington would bear in mind the broader interests of the bilateral relationship.

The Foreign Ministry also began preparing Brazil's defense, expected to include the arguments that protection of the new computer industry does not violate the General Agreement on Tariffs and Trade, and that import restrictions in this and other areas are necessary to release funds needed to cover interest on the country's \$103 billion foreign debt.

Brazil enjoyed a \$5.4-billion favorable trade balance with the United States last year, and some Brazilian officials argued privately that a flexible response is in the country's interest. They noted that on specialized steel last year, and on shoes just last month, Mr. Reagan did not impose quotas or special tariffs on imports from Brazil.

In just six years, Brazil's "informatics" industry as it is called here — some 200 companies with 18,000 employees — has increased its share of an expanding market from 22 percent to 31 percent, while such American giants as International Business Machines Corp. and Burroughs Corp. have been restrained.

Many Brazilian executives have argued that, with a captive market, Brazilian companies have concentrated on making expensive copies of such products as the Apple II and IBM Personal Computers. This means they have acquired little independent technological capability.

Phibro-Salomon Offers Options on Oil

By Bob Hagerty  
International Herald Tribune

LONDON — Just as fears of an oil-price war are mounting, Phibro-Salomon Inc. is offering a new form of insurance against sharp movements in the oil market.

Two Phibro units, Salomon Brothers International Ltd. and Phibro-Energy Inc., announced Tuesday an offering of options, or "warrants," giving buyers the right to buy or sell crude oil at a future date and at a set price. Phibro-Energy is one of the world's biggest oil traders, and Salomon Brothers International is the London unit of Salomon Brothers Inc., the New York investment banking firm.

The offer came four days after Saudi Arabia confirmed reports that it plans to increase its oil sales by offering certain major customers prices below those officially approved by the Organization of Petroleum Exporting Countries. That move is widely expected to add considerably to downward pressure on the oil market.

Charles McViegh, managing director of Salomon Brothers International, predicted that the options would appeal to oil producers and refiners, banks that lend to the oil industry, investors with large holdings of oil-related securities, and industrial companies that are big users of oil-based materials.

Some potential users expressed skepticism, however. "I can't see us being interested in it," said Alun Michael, a vice president involved in energy lending at First Chicago Ltd., a London unit of First Chicago Corp.

Phibro officials conceded that the idea would have to be explained carefully to an industry unaccustomed to options trading. "I think it will take people a while to digest just what we're proposing," said

Andy Hall, an executive vice president at Phibro-Energy. But even before the offering, he said, some small to mid-sized banks had asked Phibro about the possibility of arranging such options. Mr. Hall said many banks that have lent heavily to oil-related companies are worried about the possibility of oil prices falling from the current range of between about \$25 and \$28 to well below \$20.

"At that level a lot of small, independent oil producers are just not viable," he said.

The New York Mercantile Exchange, which has heavy trading volume in oil-futures contracts, also sees strong potential in oil options. Michael Marks, chairman of the Nymex, said it expects to introduce options on its oil futures next year.

Futures are obligations to buy or sell the underlying product at a certain level during a set period. Options, by contrast, provide the right — but not the obligation — to buy or sell. At worst, the buyer of an option stands to lose the amount paid for the option; if exercising the option would be unprofitable, the owner merely throws it away.

Phibro-Salomon is offering a total of 32,000 options to buy or sell 1,000 barrels of West Texas Intermediate crude, some exercisable next May and some in November 1986. For instance, it is offering for \$1.28 a barrel an option to buy the crude at \$28 a barrel on May 13, 1986. Another option, costing \$1.42 a barrel, gives the right to sell the crude at \$23 on the same date.

On the spot market, West Texas Intermediate for immediate delivery currently is trading at around \$28, but the price of a futures contract on such oil for delivery next May is about \$25, reflecting expect-

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Markets Closed

Markets were closed Tuesday in India and Israel for holidays.



(Continued from Page 12)

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	High	Low	Close	Previous	Settle
	Low	High	Ask	Ask	
<b>SUGAR</b>					
Domestic	42.00	133.00	136.00	137.00	142.00
Sterling	48.00	144.00	150.00	151.00	148.00
Dec	152.00	153.00	153.00	153.00	153.00
Mar	162.00	159.00	157.00	158.00	160.00
Oct	N.T.	N.T.	144.00	145.00	146.00
Nov	N.T.	N.T.	149.00	150.00	151.00
Dec	N.T.	N.T.	149.00	150.00	151.00
Jan	N.T.	N.T.	149.00	150.00	151.00
Feb	N.T.	N.T.	149.00	150.00	151.00
Mar	N.T.	N.T.	149.00	150.00	151.00
Apr	N.T.	N.T.	149.00	150.00	151.00
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Jan	N.T.	N.T.	149.00	150.00	151.00
Feb	N.T.	N.T.	149.00	150.00	151.00
Mar					

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10-KING GOLD FUTURES				Sep. 17		High	
	Nehb	Low	Close	Previous	Bid	Ask	
Nov	N.T.	318.00	320.00	318.00	320.00		SUGAR
N.T.	N.T.	318.00	320.00	318.00	320.00		French
N.T.	N.T.	318.00	320.00	318.00	320.00		Nov
N.T.	N.T.	318.00	320.00	318.00	320.00		Dec
N.T.	N.T.	318.00	320.00	318.00	320.00		Jan
N.T.	N.T.	318.00	320.00	318.00	320.00		Feb
N.T.	N.T.	318.00	320.00	318.00	320.00		Mar
N.T.	N.T.	318.00	320.00	318.00	320.00		Apr
N.T.	N.T.	318.00	320.00	318.00	320.00		May
N.T.	N.T.	318.00	320.00	318.00	320.00		June
N.T.	N.T.	318.00	320.00	318.00	320.00		July
N.T.	N.T.	318.00	320.00	318.00	320.00		Aug
N.T.	N.T.	318.00	320.00	318.00	320.00		Sept
N.T.	N.T.	318.00	320.00	318.00	320.00		Oct
N.T.	N.T.	318.00	320.00	318.00	320.00		Nov
N.T.	N.T.	318.00	320.00	318.00	320.00		Dec
N.T.	N.T.	318.00	320.00	318.00	320.00		Jan
N.T.	N.T.	318.00	320.00	318.00	320.00		Feb
N.T.	N.T.	318.00	320.00	318.00	320.00		Mar
N.T.	N.T.	318.00	320.00	318.00	320.00		Apr
N.T.	N.T.	318.00	320.00	318.00	320.00		May
N.T.	N.T.	318.00	320.00	318.00	320.00		June
N.T.	N.T.	318.00	320.00	318.00	320.00		July
N.T.	N.T.	318.00	320.00	318.00	320.00		Aug
N.T.	N.T.	318.00	320.00	318.00	320.00		Sept
N.T.	N.T.	318.00	320.00	318.00	320.00		Oct
N.T.	N.T.	318.00	320.00	318.00	320.00		Nov
N.T.	N.T.	318.00	320.00	318.00	320.00		Dec
N.T.	N.T.	318.00	320.00	318.00	320.00		Jan
N.T.	N.T.	318.00	320.00	318.00	320.00		Feb
N.T.	N.T.	318.00	320.00	318.00	320.00		Mar
N.T.	N.T.	318.00	320.00	318.00	320.00		Apr
N.T.	N.T.	318.00	320.00	318.00	320.00		May
N.T.	N.T.	318.00	320.00	318.00	320.00		June
N.T.	N.T.	318.00	320.00	318.00	320.00		July
N.T.	N.T.	318.00	320.00	318.00	320.00		Aug
N.T.	N.T.	318.00	320.00	318.00	320.00		Sept
N.T.	N.T.	318.00	320.00	318.00	320.00		Oct
N.T.	N.T.	318.00	320.00	318.00	320.00		Nov
N.T.	N.T.	318.00	320.00	318.00	320.00		Dec
N.T.	N.T.	318.00	320.00	318.00	320.00		Jan
N.T.	N.T.	318.00	320.00	318.00	320.00		Feb
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N.T.	N.T.	318.00	320.00	318.00	320.00		May
N.T.	N.T.	318.00	320.00	318.00	320.00		June
N.T.	N.T.	318.00	320.00	318.00	320.00		July
N.T.	N.T.	318.00	320.00	318.00	320.00		Aug
N.T.	N.T.	318.00	320.00	318.00	320.00		Sept
N.T.	N.T						

Close		Ask		Sept. 17 Futures	
Close	Ask	Close	Ask	Close	Ask
<b>ALUMINUM</b>					
Merline per metric ton					
forward	731.00	729.50	730.50		
near	730.00	728.00	729.50	753.00	
<b>COPPER CATHODE</b>					
forward	1011.00	1022.00	1022.50		
near	1036.00	1034.00	1040.00	1049.00	
<b>COPPER CATHODE</b>					
Merline per metric ton					
forward	1050.00	1050.00	1058.00		
near	1050.00	1050.00	1058.00	1068.00	
<b>LEAD</b>					
Merline per metric ton					
forward	297.00	298.00	299.00	304.00	
near	305.00	305.00	304.00		
<b>NICKEL</b>					
Merline per metric ton					
forward	3315.00	3320.00	3330.00	3375.00	
near	3415.00	3410.00	3430.00		
<b>SILVER</b>					
Merline per troy ounce					
forward	442.50	444.00	448.00	449.00	
near	455.00	455.00	461.00	462.00	
<b>Merline per metric ton</b>					
forward	9175.00	9170.00	9155.00	9140.00	
near	9175.00	9170.00	9160.00	9110.00	
<b>Merline per metric ton</b>					
forward	N.A.	N.A.	516.00	512.00	
near	N.A.	N.A.	N.A.	N.A.	
Source: A.P.					

KEEP UP TO DATE WITH  
**BUSINESS PEOPLE**  
APPEARING EACH WEDNESDAY  
AND FRIDAY IN THE IPT

[illegible]

STOCKS		5 P.C. 10-23 10-3	
125	1/2	29	29
126	1/2	29	29
127	1/2	29	29
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200	1/2	29	29

USUAL

29 10-22 10-23 10-24 10-25 10-26 10-27 10-28 10-29 10-30 10-31 11-1 11-2 11-3 11-4 11-5 11-6 11-7 11-8 11-9 11-10 11-11 11-12 11-13 11-14 11-15 11-16 11-17 11-18 11-19 11-20 11-21 11-22 11-23 11-24 11-25 11-26 11-27 11-28 11-29 11-30 12-1 12-2 12-3 12-4 12-5 12-6 12-7 12-8 12-9 12-10 12-11 12-12 12-13 12-14 12-15 12-16 12-17 12-18 12-19 12-20 12-21 12-22 12-23 12-24 12-25 12-26 12-27 12-28 12-29 12-30 12-31 1-1 1-2 1-3 1-4 1-5 1-6 1-7 1-8 1-9 1-10 1-11 1-12 1-13 1-14 1-15 1-16 1-17 1-18 1-19 1-20 1-21 1-22 1-23 1-24 1-25 1-26 1-27 1-28 1-29 1-30 1-31 2-1 2-2 2-3 2-4 2-5 2-6 2-7 2-8 2-9 2-10 2-11 2-12 2-13 2-14 2-15 2-16 2-17 2-18 2-19 2-20 2-21 2-22 2-23 2-24 2-25 2-26 2-27 2-28 2-29 2-30 3-1 3-2 3-3 3-4 3-5 3-6 3-7 3-8 3-9 3-10 3-11 3-12 3-13 3-14 3-15 3-16 3-17 3-18 3-19 3-20 3-21 3-22 3-23 3-24 3-25 3-26 3-27 3-28 3-29 3-30 3-31 4-1 4-2 4-3 4-4 4-5 4-6 4-7 4-8 4-9 4-10 4-11 4-12 4-13 4-1

7.14	7.12	7.37	7.41
7.30	7.28	7.68	7.72
7.52	7.50	8.08	Unch.

[illegible]

7/14	7/16	7/17	7/18	7/19
11 3/4	11 3/4	11 3/4	11 3/4	11 3/4
12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
13 1/4	13 1/4	13 1/4	13 1/4	13 1/4
14 1/2	14 1/2	14 1/2	14 1/2	14 1/2
15 1/4	15 1/4	15 1/4	15 1/4	15 1/4
16 1/2	16 1/2	16 1/2	16 1/2	16 1/2
17 1/4	17 1/4	17 1/4	17 1/4	17 1/4
18 1/2	18 1/2	18 1/2	18 1/2	18 1/2
19 1/4	19 1/4	19 1/4	19 1/4	19 1/4
20 1/2	20 1/2	20 1/2	20 1/2	20 1/2
21 1/4	21 1/4	21 1/4	21 1/4	21 1/4
22 1/2	22 1/2	22 1/2	22 1/2	22 1/2
23 1/4	23 1/4	23 1/4	23 1/4	23 1/4
24 1/2	24 1/2	24 1/2	24 1/2	24 1/2
25 1/4	25 1/4	25 1/4	25 1/4	25 1/4
26 1/2	26 1/2	26 1/2	26 1/2	26 1/2
27 1/4	27 1/4	27 1/4	27 1/4	27 1/4
28 1/2	28 1/2	28 1/2	28 1/2	28 1/2
29 1/4	29 1/4	29 1/4	29 1/4	29 1/4
30 1/2	30 1/2	30 1/2	30 1/2	30 1/2
31 1/4	31 1/4	31 1/4	31 1/4	31 1/4
32 1/2	32 1/2	32 1/2	32 1/2	32 1/2
33 1/4	33 1/4	33 1/4	33 1/4	33 1/4
34 1/2	34 1/2	34 1/2	34 1/2	34 1/2
35 1/4	35 1/4	35 1/4	35 1/4	35 1/4
36 1/2	36 1/2	36 1/2	36 1/2	36 1/2
37 1/4	37 1/4	37 1/4	37 1/4	37 1/4
38 1/2	38 1/2	38 1/2	38 1/2	38 1/2
39 1/4	39 1/4	39 1/4	39 1/4	39 1/4
40 1/2	40 1/2	40 1/2	40 1/2	40 1/2
41 1/4	41 1/4	41 1/4	41 1/4	41 1/4
42 1/2	42 1/2	42 1/2	42 1/2	42 1/2
43 1/4	43 1/4	43 1/4	43 1/4	43 1/4
44 1/2	44 1/2	44 1/2	44 1/2	44 1/2
45 1/4	45 1/4	45 1/4	45 1/4	45 1/4
46 1/2	46 1/2	46 1/2	46 1/2	46 1/2
47 1/4	47 1/4	47 1/4	47 1/4	47 1/4
48 1/2	48 1/2	48 1/2	48 1/2	48 1/2
49 1/4	49 1/4	49 1/4	49 1/4	49 1/4
50 1/2	50 1/2	50 1/2	50 1/2	50 1/2
51 1/4	51 1/4	51 1/4	51 1/4	51 1/4
52 1/2	52 1/2	52 1/2	52 1/2	52 1/2
53 1/4	53 1/4	53 1/4	53 1/4	53 1/4
54 1/2	54 1/2	54 1/2	54 1/2	54 1/2
55 1/4	55 1/4	55 1/4	55 1/4	55 1/4
56 1/2	56 1/2	56 1/2	56 1/2	56 1/2
57 1/4	57 1/4	57 1/4	57 1/4	57 1/4
58 1/2	58 1/2	58 1/2	58 1/2	58 1/2
59 1/4	59 1/4	59 1/4	59 1/4	59 1/4
60 1/2	60 1/2	60 1/2	60 1/2	60 1/2
61 1/4	61 1/4	61 1/4	61 1/4	61 1/4
62 1/2	62 1/2	62 1/2	62 1/2	62 1/2
63 1/4	63 1/4	63 1/4	63 1/4	63 1/4
64 1/2	64 1/2	64 1/2	64 1/2	64 1/2
65 1/4	65 1/4	65 1/4	65 1/4	65 1/4
66 1/2	66 1/2	66 1/2	66 1/2	66 1/2
67 1/4	67 1/4	67 1/4	67 1/4	67 1/4
68 1/2	68 1/2	68 1/2	68 1/2	68 1/2
69 1/4	69 1/4	69 1/4	69 1/4	69 1/4
70 1/2	70 1/2	70 1/2	70 1/2	70 1/2

Total call vol.	4,988
Total put vol.	2,119
r—Not traded. s—No action on	
Last is premium (purchase price)	
Source: AP	

[illegible]

Sept. 17			
Percent—		Last	
Year	Year	Year	Year
1.70	1.70	1.70	1.70
5.85	5.85	5.85	5.85
3.90	3.90	3.90	3.90
1.40	1.40	1.40	1.40
1.10	1.10	1.10	1.10
0.17	0.17	0.17	0.17
0.64	0.64	0.64	0.64
0.21	0.21	0.21	0.21
0.76	0.76	0.76	0.76
1.22	1.22	1.22	1.22
1.68	1.68	1.68	1.68
3.38	3.38	3.38	3.38
2.20	2.20	2.20	2.20
0.67	0.67	0.67	0.67
1.02	1.02	1.02	1.02
0.11	0.11	0.11	0.11
0.26	0.26	0.26	0.26
0.49	0.49	0.49	0.49

Sept. 17	
Percent—	
Year	Year
1.70	1.70
5.85	5.85
3.90	3.90
1.40	1.40
1.10	1.10
0.17	0.17
0.64	0.64
0.21	0.21
0.76	0.76
1.22	1.22
1.68	1.68
3.38	3.38
2.20	2.20
0.67	0.67
1.02	1.02
0.11	0.11
0.26	0.26
0.49	0.49

Sept. 17	
Percent—	
Year	Year
1.70	1.70
5.85	5.85
3.90	3.90
1.40	1.40
1.10	1.10
0.17	0.17
0.64	0.64
0.21	0.21
0.76	0.76
1.22	1.22
1.68	1.68
3.38	3.38
2.20	2.20
0.67	0.67
1.02	1.02
0.11	0.11
0.26	0.26
0.49	0.49

Sept. 17	
Percent—	
Year	Year
1.70	1.70
5.85	5.85
3.90	3.90
1.40	1.40
1.10	1.10
0.17	0.17
0.64	0.64
0.21	0.21
0.76	0.76
1.22	1.22
1.68	1.68
3.38	3.38
2.20	2.20
0.67	0.67
1.02	1.02
0.11	0.11
0.26	0.26
0.49	0.49

Sept. 17	
Percent—	
Year	Year
1.70	1.70
5.85	5.85
3.90	3.90
1.40	1.40
1.10	1.10
0.17	0.17
0.64	0.64
0.21	0.21
0.76	0.76
1.22	1.22
1.68	1.68
3.38	3.38
2.20	2.20
0.67	0.67
1.02	1.02
0.11	0.11
0.26	0.26
0.49	0.49

Sept. 17	
Percent—	
Year	Year
1.70	1.70
5.85	5.85
3.90	3.90
1.40	1.40
1.10	1.10
0.17	0.17
0.64	0.64
0.21	0.21
0.76	0.76
1.22	1.22
1.68	1.68
3.38	3.38
2.20	2.20
0.67	0.67
1.02	1.02
0.11	0.11
0.26	0.26
0.49	0.49

Sept. 17	
Percent—	
Year	Year
1.70	1.70
5.85	5.85
3.90	3.90
1.40	1.40
1.10	1.10
0.17	0.17
0.64	0.64
0.21	

Cost open int.	25,000	72-18	62-24	Dec
Per open int.	159,158	69-27	67	Mar
		Est. Sales		Prev. Sale
		Prev. Day Open Int.	220,007	0

[illegible][illegible]

68-14	-16	COMEX:	Common
67-29	-16	NYME:	New Yo
		KCBT:	Kansas
		NYFB:	New Yo

72.76	139.50	137.60	138.50	-1.30
72.80	139.50	139.90	140.70	-0.20
72.84	140.00	140.00	140.00	-0.00
72.88	140.00	140.00	140.00	-0.00
72.92	140.00	140.00	140.00	-0.00
72.96	140.00	140.00	140.00	-0.00
73.00	140.00	140.00	140.00	-0.00
73.04	140.00	140.00	140.00	-0.00
73.08	140.00	140.00	140.00	-0.00
73.12	140.00	140.00	140.00	-0.00
73.16	140.00	140.00	140.00	-0.00
73.20	140.00	140.00	140.00	-0.00
73.24	140.00	140.00	140.00	-0.00
73.28	140.00	140.00	140.00	-0.00
73.32	140.00	140.00	140.00	-0.00
73.36	140.00	140.00	140.00	-0.00
73.40	140.00	140.00	140.00	-0.00
73.44	140.00	140.00	140.00	-0.00
73.48	140.00	140.00	140.00	-0.00
73.52	140.00	140.00	140.00	-0.00
73.56	140.00	140.00	140.00	-0.00
73.60	140.00	140.00	140.00	-0.00
73.64	140.00	140.00	140.00	-0.00
73.68	140.00	140.00	140.00	-0.00
73.72	140.00	140.00	140.00	-0.00
73.76	140.00	140.00	140.00	-0.00
73.80	140.00	140.00	140.00	-0.00
73.84	140.00	140.00	140.00	-0.00
73.88	140.00	140.00	140.00	-0.00
73.92	140.00	140.00	140.00	-0.00
73.96	140.00	140.00	140.00	-0.00
74.00	140.00	140.00	140.00	-0.00
74.04	140.00	140.00	140.00	-0.00
74.08	140.00	140.00	140.00	-0.00
74.12	140.00	140.00	140.00	-0.00
74.16	140.00	140.00	140.00	-0.00
74.20	140.00	140.00	140.00	-0.00
74.24	140.00	140.00	140.00	-0.00
74.28	140.00	140.00	140.00	-0.00
74.32	140.00	140.00	140.00	-0.00
74.36	140.00	140.00	140.00	-0.00
74.40	140.00	140.00	140.00	-0.00
74.44	140.00	140.00	140.00	-0.00
74.48	140.00	140.00	140.00	-0.00
74.52	140.00	140.00	140.00	-0.00
74.56	140.00	140.00	140.00	-0.00
74.60	140.00	140.00	140.00	-0.00
74.64	140.00	140.00	140.00	-0.00
74.68	140.00	140.00	140.00	-0.00
74.72	140.00	140.00	140.00	-0.00
74.76	140.00	140.00	140.00	-0.00
74.80	140.00	140.00	140.00	-0.00
74.84	140.00	140.00	140.00	-0.00
74.88	140.00	140.00	140.00	-0.00
74.92	140.00	140.00	140.00	-0.00
74.96	140.00	140.00	140.00	-0.00
75.00	140.00	140.00	140.00	-0.00

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## BUSINESS ROUNDUP

## Consolidated Gold Fields Says Profit Rose 9% in Year

**LONDON** — Consolidated Gold Fields PLC, the British-based international mining and industrial group, said Tuesday that pretax profit for the year ended June 30 rose 9 percent, to £114.9 million (\$153.9 million), from £105 million a year earlier.

## Court Says Ford Cannot Ban Sales

**LUXEMBOURG** — The European Court of Justice ruled Tuesday that Ford Motor Co.'s West German unit, Ford-Werke AG, can no longer block the sale of inexpensive right-hand drive cars to British motorists.

Demands for the right-hand drive cars from dealers in West Germany surged in 1981 after British motorists found exchange rates made it cheaper to buy abroad rather than at home. But a year later, Ford said it would no longer supply West German dealers with the cars in a bid to protect the sales of its British subsidiary, Ford Motor Co. Ltd.

The court said that Ford's move restricted competition within the European Community and it ruled that Ford must withdraw its ban on supplying right-hand drive cars to West German dealers.

## Richardson-Vicks Rejects 2d Bid From Unilever

**WILTON, Connecticut** — Richardson-Vicks Inc. said Tuesday that its board rejected a revised merger bid by the Unilever group and declared the issuance of a new preferred stock to fight the unwanted takeover.

The company said it will distribute one preferred share for every five common shares in the defensive action.

Payout on the common stock will be reduced, the board said, but with the new preferred dividend, the payout per share of common stock will rise to \$1.54 annually from the pre-distribution level of \$1.48.

Last week, Richardson-Vicks rejected an inadequate unsolicited bid from the British-Dutch consumer products giant of \$54 a share. In a revised bid on Monday, Unilever's U.S. unit offered \$56 per share for a friendly merger and \$48 a share if Richardson did not approve.

Profits from the company's affiliates in South Africa fell 8 percent during the year, Consolidated said.

The lower dollar gold price also adversely affected results at the Ortiz Gold Mine in New Mexico, where ore available under the present plan will be exhausted by spring 1986. Consolidated said it plans to close its operations there early next year.

A provision of £4.1 million has been made against 1985 profits to cover the costs of closure.

In the United States, profits benefited from higher sales of pre-cast concrete pipes.

## Apple, Piqued by Talent Raid, Will Not Back Venture by Jobs

**By Donald Woutar**  
**Los Angeles Times Service**  
**CUPERTINO, California** — Apple Computer Co., upset that its chairman, Steven Jobs, had raised the company of at least five executives for a mysterious new computer venture, will not invest in the venture, Apple officials indicated Monday.

The raid on Apple talent also raised conflict-of-interest questions about Mr. Jobs' future as chairman of the company he helped to found eight years ago.

An Apple official said the board initially voiced interest in investing in the new venture, but that there was a reassessment when the resignations occurred.

Mr. Jobs, 30, was removed from daily operational management in a shake-up at the company earlier this year, but remains its largest shareholder, with about a 9-percent holding.

Mr. Jobs notified the board last Thursday that he was forming an unspecified new venture in the education field. The company said Mr. Jobs told them that the new product would not compete with Apple and that he would not raid the company for employees.

On Friday, according to the company, Mr. Jobs presented a list of five veteran Apple employees — including an original developer of Apple's Macintosh computer — who were resigning.

There were rumors that two more employees quit Monday to join Mr. Jobs, although Apple denied it. Mr. Jobs and the five whose resignations have been confirmed did not return phone calls Monday.

The decision by Mr. Jobs to strike out on his own confirmed suspicions raised during the summer when he sold 1.35-million shares of Apple stock valued at up to \$20 million. What he had in mind remained a secret.

Apple officials said Mr. Jobs told the board little about his new product except that it was aimed at education markets.

One of the employees leaving to join Mr. Jobs is Dan' Lewin, who has headed Apple's marketing program for schools.

"They're all computer jocks; it could be almost anything electronic," said Richard Matlack, president of Infocorp, a market research company here. "The interesting part is the conflict-of-interest situation. You can stay chairman of a company and run another one if it's not in competition, but when you start stripping away Apple's key resources, I don't know."

The picture is further muddled by Mr. Jobs continuing to own the largest single block of Apple stock — about 5.3 million shares of the 60.9 million outstanding.

Mr. Jobs is prohibited from selling any more stock until Jan. 1 under insider trading rules, according to Michael Murphy, editor of the California Technology Stock Letter in San Francisco.

The new venture seems to further Mr. Jobs' estrangement from Apple and John Sculley, the president he recruited from PepsiCo to bring marketing expertise and professional management to the fast-growing computer company.

Mr. Jobs was ousted from day-to-day operations in May after he opposed cutbacks that Mr. Sculley thought were needed in light of the severe slump in the personal computer industry.

Two weeks after the ouster of Mr. Jobs, Apple laid off 1,200 employees and shut three of its six plants.

## COMPANY NOTES

**Associated Hotels Ltd.** of Hong Kong said shareholders approved a change of name to Tian Teck Land Ltd. after creditors voted in favor of restructuring its debt of 1.3 billion dollars (\$166.6 million). Tian Teck, a Singapore-based private property concern, will be the major shareholder in Tian Teck Land.

**Bell Group Ltd.** of Australia reported a 62-percent rise in net operating profit, to 65.7 million dollars (\$44.6 million) last year, from 40.5 million dollars a year earlier. Net after tax was 19 million dollars, up from 7.6 million dollars.

**ConAgra Inc.**, a diversified U.S. food-services concern, said earnings in the first quarter ended Aug. 25 rose 17 percent, to \$22.6 million, from \$19.3 million a year earlier. Sales totaled \$1.58 billion, up 7 percent from \$1.47 billion.

**Landeshank Rheinland Pfalz Girozentrale**, the West German banking concern, said partial operating profits in the first six months of 1985 rose 2 percent, to 107 million Deutsche marks (\$36.9 million), from 105 million DM in the year-earlier period.

**NEC Corp.**, Japan's largest semiconductor maker, will cut capital outlays for its semiconductor division to 120 billion yen (\$512.8 million) from an initially planned 140 billion yen in the year to March 31, 1986.

**Siemens AG**, the West German electronics concern, is to take a 49-percent stake in Electronic Control Systems SpA of Italy and cooperate with it in the areas of numeric control for machine tools and industrial automation, a Siemens spokesman said. He declined to give financial details.

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**Herald Tribune**

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## CURRENCY MARKETS

## Dollar Edges Up in U.S., Drops in Europe

**NEW YORK** — The dollar moved higher against most foreign currencies on Tuesday after fluctuating during trading in the United States and retreating in European trading.

Dealers said that the market was edged ahead of Friday's scheduled release of the third-quarter "flash" estimate of U.S. gross national product, which measures the total value of a nation's goods and services, including income from foreign investments.

"Everybody is focusing their attention on that," said Frank Pustar, manager of commercial foreign exchange at the Bank of Montreal. "There has been a large reluctance on the part of corporations to take positions on that number. It's very much a fence-sitting proposition."

He added: "If the estimate is below 3 percent, we'll probably see

the dollar come off. If it's above 3.5 percent, it will go up. And if it falls within that range, there probably will be a very neutral reaction."

In London, the U.S. currency finished at 2.8930 Deutsche marks, up from Monday's ending at 2.8820. Earlier in Frankfurt, the dollar was fixed at 2.8784 DM, down from 2.9158 on Monday. And in New York, it closed at 2.8980, up from Monday's close of 2.8755.

The pound ended steady against the dollar at \$1.3395 as recent doubts about oil prices continued to fade. It opened at \$1.3388 after finishing at \$1.3438 on Monday.

Later in New York, it cost \$1.3350 to buy a pound, less expensive than Monday's \$1.3430.

Dealers in Europe said that the pound did well against most currencies as the market realized it was short on pounds. This was rein-

forced by substantial buying by the Eastern bloc.

In Tokyo, the dollar ended at 241.25 Japanese yen. Markets were closed Monday for a holiday. In New York, it ended at 241.65, up from 241.10 on Monday.

Other late dollar rates in New York, compared with late rates Monday, included: 2.380 Swiss francs, up from 2.370; 8.834 French francs, up from 8.755; 1,942.00 Italian lire, up from 1,922.00; and 3.320 Dutch guilders, down from 3.3365.

Earlier in Europe, the dollar closed in Zurich at 2.3695 Swiss francs, down from 2.3978 on Monday. It was fixed in Paris at 8.7795 French francs, down from 8.8850; in Milan at 1,930.00 Italian lire, down from 1,948.95; and at 3.240 Dutch guilders in Amsterdam, up from 3.277.

(AP, Reuters)

## Outstanding U.S. Credit Rose in July

**WASHINGTON** — U.S. consumer installment credit outstanding increased a seasonally adjusted \$6.25 billion in July, the Federal Reserve Board said Tuesday.

In June, the amount of existing debt grew a revised \$5.23 billion. Previously, the Fed said credit in June increased \$6.79 billion.

The July increase represents a 15-percent annual rate of growth in installment debt. In June the rate was 12.7 percent. The annual rate of growth in July and June compared with an 18.9-percent growth on an annual basis in the second quarter, the Fed said.

Automobile credit grew \$2.37 billion in July and \$2.69 billion in June, the Fed said. Revolving debt expanded \$836 million in July following a drop of \$73 million the previous month.

The category which includes cash loans at banks and credit unions rose \$2.70 billion in July and grew \$2.42 billion in June.

The report said that before season adjustment total credit outstanding amounted to \$503.83 billion in July, up from \$422.01 billion a year earlier.

## West German Economy Is Expanding At 3% Annual Rate, Bundesbank Says

**FRANKFURT** — Confirming government projections, the Bundesbank said Tuesday in its monthly report that the West German economy was growing at an annual rate of 3 percent.

"The basis for economic growth increasingly has extended from foreign demand — which has stabilized at a high level — to domestic demand," the September report said.

Concerns about an economic recovery excessively dependent on exports, and more specifically, on a strong U.S. dollar, are set aside in the report. The central bank foresees a continuing high level of exports supported by a gradual turnaround in the two major weak spots in the domestic economy: individual demand and construction.

Corporate investment continues to fuel the domestic recovery, the Bundesbank said. Domestic orders for capital goods, excluding automobiles, rose 5 percent in the May-July period from the previous three months and exceeded the year-earlier period — distorted by a seven-week metalworkers' strike — by 13 percent.

Private demand has picked up since early spring, the report said, following the resolution of a prolonged debate about new emission-control standards for automobiles that is said to have delayed many car-buying decisions. Abetted by a 0.5-percent rise in net disposable income in the second quarter from the first three months.

## BUSINESS PEOPLE

## Finnish Bank Changes Management

**By Brenda Erdmann**  
*International Herald Tribune*  
**LONDON** — Kansallis-Osake-Pankki, Finland's largest commercial bank, has announced top-level management changes in its offices in London, Singapore, Luxembourg, Zurich and Helsinki.

All of the appointments are effective from Jan. 1. In KOP's Helsinki head office, Pentti Koivisto, assistant general manager currently in charge of the loan-syndication, corporate finance and capital-markets division, will take responsibility for coordinating planning within the KOP group.

Mr. Koivisto will be succeeded by Ilkka Laakkonen, who currently is general manager of KOP's London branch. Kari Janhunen, managing director of Kansallis International Bank (Asia-Pacific) Ltd. in Singapore, will move to London to take up Mr. Laakkonen's post.

Mr. Janhunen will turn over his duties as head of the Singapore unit to Frank Lonnqvist, who is manager, credits and capital markets, in Singapore.

In Luxembourg, Heikki Kahari will be taking over as managing director of Kansallis International Bank SA from Kai Fagerstrom. Mr. Fagerstrom will be transferred to Helsinki to assume the post of

assistant general manager in charge of the new regional management division. Mr. Kahari currently is with Nordfinanz-Bank Zürich. KOP's Swiss unit, as an assistant general manager.

Kurt Schildknecht will become head of the management committee at Nordfinanz-Bank Zürich upon the retirement of Bengt Uggla. Mr. Schildknecht joined the bank in March from the Swiss National Bank, where he was director of the economic section.

Kyösti Järvinen, assistant general manager, currently responsible for regional management and administration, will head the new administration division. He will continue to be based in Helsinki.

Tenneco Inc. said Raymond H. Marks, senior vice president, has been appointed chairman of its Tenneco Europe unit, effective Oct. 1. Mr. Marks succeeds Ralph W. Cousins, who is retiring. Tenneco is based in Houston and has interests that include oil, natural gas pipelines, shipbuilding and construction and farm equipment.

Daiwa Bank Ltd. said Masahiro Ohayama, currently deputy general manager of its London branch, is being transferred to Tokyo to join the international business develop-

ment division as deputy general manager with responsibility for developing business in Europe. Mr. Ohayama turns over his duties in London to Yoji Nishikawa, who is chief representative in Daiwa's Bahrain representative office, a post in which he will be succeeded by Katsuhiko Arai. Mr. Arai currently is in Osaka in the bank's domestic division.

L.M. Ericsson, the Swedish telecommunications and electronics group that has run into problems recently with falling profits and production difficulties, has named Carl Wilhelm Rosén finance director and controller. The company has been trying to fill the post of finance director for several months following the resignation of Fritz Staffas. Mr. Rosén, who currently is executive vice president and head of finance at Riik, a unit of ASIA AB, takes over his new post Dec. 1.

NKK (UK) Ltd., London, has named Sachio Sasabe president. He succeeds Hiroshi Onodera, who has returned to the Tokyo head office of the parent, Nippon Kokan, Japan's second-largest steelmaker, as senior general manager in charge of the overseas plant and offshore project sales departments. Previously, Mr. Sasabe was in Tokyo as general manager of the offshore and special ship sales unit.



First National Bank of Chicago said last week that its senior vice president and as director of First Chicago Ltd. in London. The bank said its first assignment will be to direct an interdepartmental task force to guide First Chicago's international business strategies. Most recently, he was an executive director of Hambros Bank Ltd., a London-based merchant bank, where he was responsible for the international issues and banking division.

## THE EUROMARKETS

## Attention Remains on Huge U.K. Floater

**By Christopher Pizze**

**LONDON** — The Eurobond market generally ended little changed Tuesday from Monday's closing levels after a day that dealers said was a lot more subdued than Monday.

Attention in the floating-rate-note sector tended to remain on Monday's massive \$2.5-billion floater for Britain. The issue, which pays the three-month London interbank bid rate, fluctuated narrowly throughout the day and eventually ended unchanged, at 99.68.

However, one new floater was launched, the expected 175-million-Eurocurrency-unit issue for France's Crédit National.

The 10-year issue pays 1/16 point over the three-month London interbank offered rate and was lead-managed by Banque Paribas Capital Markets. Unusually for a floater, which are nearly always priced at par, it was priced at 100.05.

The issue, which is guaranteed by the French government, was quoted at about 99.95, just inside the total fees of 13 basis points.

Seasoned dollar floating-rate notes were mainly steady, although some issues began to edge up during the afternoon as Eurodollar deposit rates eased off 1/16 point in places.

The dollar-straight sector saw a couple of new issues during the day, both for units of Japanese banks. Mitsui Finance Asia Ltd. launched a \$100-million bond paying 10 1/4 percent a year over five years and priced at 100 1/4.

The bond was lead-managed by Mitsui Finance International Ltd. and was guaranteed by Mitsui Bank Ltd. It was quoted at the market just within the total 1 1/2 percent fees at a discount of about 1 1/2.

Also launched was a \$100-million bond for Mitsubishi Trust Finance Asia. It pays 10 1/2 percent a year over 10 years and was priced at 99 1/4.

The bond was guaranteed by Mitsubishi Trust & Banking and was quoted at a discount of about 1 1/2, inside the total fees of 2 percent.

Seasoned dollar-straight issues also ended the day little changed,

with dealers commenting that operators seem reluctant to open many new positions ahead of Friday's "flash" third quarter forecast of U.S. gross national product growth. Gross national product is a measure of the total value of a nation's goods and services.

News late in the session that a U.S. Senate committee had agreed to raise the U.S. federal debt ceiling by \$255 billion, to \$2.079 trillion, did not have any immediate impact on prices, although longer-dated domestic U.S. bonds did come off a little.

The Canadian-dollar sector saw a 50-million-dollar issue for Laval, a suburb of Montreal. Lead-managed by Orion Bank Ltd., it pays 1 1/4 percent a year over 10 years and was priced at par.

The issue ended on the market at a discount of 2 1/2 on an offered basis, well outside the total fees of 2 percent.

Dealers noted speculation in the floating-rate note sector that Ireland is shortly to launch an issue, possibly of \$300 million, using a "mis-match" formula.

## Japan Auto Sales Are Increasing in Europe

**(Continued from Page 13)**  
Europe's largest, climbed to 13.2 percent, on 165,000 cars, against 3.7 percent a year before.

But profit margins shrank in recent years as the yen's value rose in relation to the West German mark and other key European currencies. European governments, troubled by rising unemployment, have nervously watched the rise of imports.

Some capitals, such as Bonn, have acted cautiously. Others, including Paris and Rome, restrict the Japanese to about 3 percent of domestic car sales, and the European Community has urged Tokyo to observe self-restraint in auto shipments.

Undaunted by restrictions, the Japanese have expanded their networks of dealers across Europe. Mazda has more than 1,000 in West

Germany alone — and have modified car designs to meet Europeans' preference for lean-looking models of great technical capability. More significant, the Japanese have begun to reach agreements with European automakers to produce cars in Europe.

Harald Wulff, executive vice president of Nissan Germany, said Nissan delivers the Patrol, a four-wheel-drive, off-road vehicle, to several European countries from a factory near Barcelona.

And Nissan manufactures, with Italy's Alfa Romeo, a European version of the Cherry, called the Arna, at a factory near Naples.

Nissan also plans a factory in northern England to build about 100,000 medium-size cars, perhaps the Stanza.

Plans to build a six-cylinder model at BL PLC's Austin-Rover factory in Longbridge, England.

To win cooperation, the Japanese plan to use lots of European-made components. "We will widen local content, step by step, to about 80 percent," Mr. Wulff of Nissan said.

But Fiat's chairman, Giovanni Agnelli, has denounced Nissan's Alfa project as a "fifth column," and Robert Lutz, president of Ford Motor Co. (Europe), recently warned Britain against letting Honda in at "more favorable terms" than existing factories get.

Officials of Japanese auto companies say their sales expectations are buoyed by Europe's rising birth rate, which should mean new customers in the 1990s.

## Tuesday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.

See the Associated Press

12 Month High Low Stock Div. Yld. % High Low 3 P.M. CHG

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## SPORTS

## Scotland's 'Big Man' Departs at 62

LONDON — The demons of a tragic summer are far from exorcised. Last Tuesday and Wednesday, when major soccer so palpably needed to radiate joy, it instead emphasized its brutality, its barren rejection of adventure, its lethal offshoots.

World Cup matches in six European cities produced five negative stalemates. The only losers were the French, those

## ROB HUGHES

cavaliers of artistry. In all, a pitiful six goals were wrung from 540 minutes' play in front of a quarter of a million spectators. Miserably, the fans behaved. Some players did not, kicking at fellow professionals with cynical disregard for the consequences.

In Cardiff, Welsh and Scottish players collided with such reckless ferocity, such claustrophobic intensity, that another man died.

This time it was somebody famous. Jock Stein, Scotland's manager for seven years, collapsed and died at the final whistle.

Stein was among the most revered figures in what we absurdly call a game.

He loved, and feared, the damn game so much it killed him.

Rather the awful stress — the winner-take-all disease that he once knew how to handle — overburdened the heart he had been warned was at risk.

Seeing "the big man," as he was known and in many ways really was, carried from the touchline provoked numbing shock; quite why is difficult to rationalize.

Surely we have not forgotten leading managers in England, the Netherlands, Czechoslovakia and West Germany who have suffered heart attacks in the past two years. Or the Yugoslav national team physician who died suddenly during the 1984 European championship.

It begins to look endemic, an industrial hazard in an overstressed industry.

If governments were not themselves sometimes so ready to exploit the sport's emotive potency, they might slap a health warning on it.

The vulnerability of managers is obvious. Their performing days over, they become sedentary overloads, living by results that depend increasingly upon others' physical output.

Stein's dedication in his lifetime in Scotland came in part from his persuading players to give everything and then, in the words of one Celtic player, "to extract a further percentage."

At Glasgow Celtic in the 1960s, the big man instilled in his team spirit akin to his own during his 11 years as a brewer of coal.

Underground for eight hours a day, Stein once observed no man could count his work done until his mates had finished too. Through respect, fear and love, they instinctively watched out for one another.

There was more miner than footballer in Jock Stein in those days. A leggy center-half, hard and left-footed, he did not extract a living from soccer until he was 27 — and then as a Celtic reserve.

That he should, at 31, captain Celtic to the league and Scottish Cup double of 1954 speaks volumes for his character.

When injury terminated play, Stein molded youngsters who would be the foundation of the finest club side Scotland (and possibly all of Britain) had ever seen.

Men of the caliber of Billy McNeill, Bobby Lennox, Tommy Gemmill and Bertie Auld swore that Stein made them what they are. David Hay, now Celtic's manager, and Kenny Dalglish, Liverpool's player-manager, came later but say the same.

They all knew the wrath of the big man, the kick up the backside when they broke club discipline; they also knew the guidance, the interest in them as individuals, the lust for the game that were Stein's.

His 1967 team broadened Scottish soccer's horizons. By outplaying Inter Milan to win the European Cup final, by relentlessly attacking and stripping down the destructive catenaccio defense of Helenio Herrera, Celtic hauled soccer out of a phase as unwanted as today's.

Stein's instruction was simply to "defend in the other team's penalty area."

Of necessity, an early Italian goal obliged Celtic to comply, and after the 2-1 Scottish triumph the late Bill Shankly, another legendary team-builder, said: "Jock, you are now immortal."

A Protestant leading his country's premier Catholic club, Stein earned at least a second bar to immortality. Celtic was champion under him 10 times, including 1971, when he had rebuilt an aging side from scratch.

The clamor for Stein to take over Scotland's national squad was finally answered in 1978.

The football association's stinginess and the big man's price had kept them poles apart while Scotland lurched from tournament to tournament, kamikazi on the field, hara-kiri drunk off it.

I truly believe Stein was never able to give Scotland his best. He was 56 when he accepted, already warned to slow down because of a suspect heart.

He had survived near-fatal chest injuries in a 1975 car crash, when he — a noted teetotaler — was the victim of a drunk driver.

But was he quite so sure of himself afterward, quite so demanding of players, quite so courageous?

Stein's brand of management may never have translated to the national level. At Celtic he lived players' lives with them, often from adolescence; with Scotland he borrowed men a few days at a time.

His priorities had been a settled team playing patient soccer from the back, "cutting out fighting football." Yet his selections were restless — 32 players in his first 11 matches — and his tactical variations were beyond even the senior men he often chose.

The pressure in Cardiff last week was enormously self-induced. Having, as Stein generously conceded, been out-fought by Wales in Glasgow, the Scots had to draw to avoid elimination.

Draw they did, by a horrendously routine goal. Warring instincts, deployed by Stein, disfigured the start and cost Alex McLeish a booking for a foul that could have ended Ian Rush's season.

Then two defenders collided, Stein's experimental sweep-



Jock Stein in 1970  
... A victim in an overstressed industry.

er system disintegrated and Scotland was a goal down. Blood pressure stayed high for an hour. Only when Wales sagged, when substitute David Cooper ran at the Welsh with an old-fashioned winger's flair, did the Scots threaten.

They were saved by a lucky penalty, awarded after the ball struck — surely unintentionally — a Welsh hand. Every Scot in the stadium, except Stein, leapt to his feet.

Stein did rise on, or fractionally before, the final whistle, apparently to remonstrate with a photographer. He fell, holding his chest. Whether he appreciated that his mission was accomplished we shall never know.

At least we should not deny that the substitution of Cooper for Gordon Strachan was the master's shrewd last act of courage. Time will tell if it gets Scotland to the World Cup final.

Had the big man not left so early, at 62, we might now be contemplating the first round of European club competitions. Alas, we would be saying they are denuded, or rid, of English clubs that dominated the past decade.

There is no getting away from tragedy, no hint that the business contains enough of a game to bring better times.

## Gooden and Tudor Match Victories, But Cardinals Widen Lead Over Mets

Compiled by Our Staff From Dispatches

NEW YORK — Within the race for the National League East title between the St. Louis Cardinals and the New York Mets, John Tudor and Dwight Gooden are waging an individual war.

Until recently it appeared certain that Gooden would add the Cy Young Award to the rookie of the year designation he earned last season.

Now Tudor is firmly in the picture, the divisional title as well as recognition as the league's top pitcher seems to hinge on their performances in the stretch run.

Both recorded victories on Monday, but the Cardinals moved a full game ahead of the Mets by sweeping a doubleheader in Pittsburgh.

Gooden raised his record to 21-4 with a two-hit, 11-strikeout performance in a 9-0 thrashing of Philadelphia at Shea Stadium.

Gooden's streak of shutout innings to 31, tying him with Tudor for the longest in the majors this season and leaving him two-thirds of an inning short of the Met record.

In becoming 1985's first 21-game winner in the majors, Gooden also tied a franchise mark with his seventh shutout of the year. He has struck out at least 10 batters 25 times in his two-year career.

"After the third inning I realized I had a pretty good fastball," said Gooden. "I had two hits and drove in two runs."

Gary Carter had a three-run homer and a run-scoring single.

## BASEBALL ROUNDUP

Losers Kevin Gross lasted 3 1/2 innings, surrendering nine hits and six earned runs.

After a 1-3 start, Tudor improved to 19-8 with an 8-4 victory in the opener. His string of scoreless innings was stopped by Bill Almon's grand slam in the fourth.

Tudor allowed eight hits, walked four and struck out two in his six innings of work.

"I didn't imagine this would be happening," said Tudor, who has supplanted Joaquin Andujar as the ace of the Cardinal staff. "It's been fun. I've always felt I was a half-decent pitcher — not a yearly 20-game winner — but that I could win 14, 15, 16 games a year."

Andy Van Slyke and Terry Pendleton each drove in two runs in support of Tudor. In the nightcap, Willie McGee singled home Vince Coleman in the eighth inning to break a 1-1 tie and the Cards went on to a 3-1 decision.

Padres 4, Dodgers 2: In San Diego, Carmelo Martinez hit a three-run seventh-inning home run that broke a 1-1 tie and the Cards went on to a 3-1 decision.

Reds 7, Giants 6: In Cincinnati, Gary Redus raced home from third on Mark Davis' wild pitch with one out in the 11th to give the Reds their victory.

Astros 7, Braves 2: In Atlanta, a four-hitter gave Jeff Heathcock his

first major-league complete game, and José Cruz, Jerry Murphy and Denny Walling homered to help Houston win its sixth straight.

Expos 8, Cubs 5: In Montreal, Scott Thompson broke a 5-5 tie with a sacrifice fly in the seventh and Tim Lincecum added a two-run single as the Expos handed Chicago its fifth consecutive defeat.

Mariners 5, Royals 1: In the American League, in Seattle, Mike Moore's five-hitter and a two-run homer by Danny Tartabull carried the Mariners past Kansas City.

Indians 9, Yankees 5: In New York, Julio Franco hit a two-run triple during a six-run ninth, and Andre Thornton hit a pair of two-run homers as Cleveland handed the Yankees their fourth straight setback.

Orioles 14, Tigers 7: In Detroit, Cal Ripken's two home runs led a six-hitter barrage that buried the Tigers. Baltimore had 19 hits and racked up 41 total bases, to break the team record of 39.

Twins 7, Rangers 6: In Minneapolis, Gary Gaetti's home run with one out in the 11th got Minnesota past Texas. After striking out Mark Salas, Greg Harris came in with a fat 3-0 pitch that Gaetti lined over the infield fence.

Brewers 5, Red Sox 3: In Milwaukee, Ben Ojeda batted Ted Simmons home with the go-ahead run, helping a two-out, three-run seventh-inning rally by the Brewers.

(UPI, AP)

## VANTAGE POINT/Steven Crist

## Early Retirements Hurt Racing

New York Times Service

NEW YORK — It took less than an hour for the word to spread through the stable area of every racetrack in the country last Thursday morning. Spend a Buck, the Kentucky Derby winner, had come up with a swollen ankle and would miss his scheduled start in Sunday's Pennsylvania Derby.

A decade ago, the reaction would have been: "Too bad, the injury might keep him out of the big fall races, but he can come back next year as a 4-year-old. But in racing today, that equation's halves are reversed, and the virtually unanimous reaction was: He was going to be held out of the big fall races anyway and was already scheduled for early retirement, so he'll probably be retired and packed off to stud now."

Two days later Spend a Buck's owners decided to do just that, which hardly seemed appropriate for a horse that many considered the best in the country, or for a game with any pretense of being as much a sport as it is a business.

There was no reason Spend a Buck could not have come back to race next year. A long vacation would have done him a lot of good, especially since he had developed a bleeding problem. That had already restricted him to races in states that permit the race-day use of furosemide, a volatile diuretic that controls hemorrhaging but also is widely believed to improve overall performance.

In the days before greedy state

legislatures approved furosemide and such painkillers as phenylbutazone to keep sick and tired horses racing year-round, the prescription for bleeding was rest. Spend a Buck's reputation and ability have been clouded by his having run on furosemide in the Kentucky Derby and the Monmouth Handicap, and he will not be given a chance to recover and come back next year.

The premature retirement of top 3-year-olds has become rampant in the last decade. It began with Secretariat, but there was a good excuse. Penny Chenery, Secretariat's owner, had to syndicate him before his 3-year-old season in order to pay the estate taxes on Meadow Stud when her father died in early 1973.

But the three top 3-year-olds of the mid-1970s had sportsmen for owners, and their decisions to keep them in training and race them as 4-year-olds increased the horses' value and reputation. Seattle Slew's owners almost retired him before his 4-year-old season when the colt nearly died of various illnesses and infections, but decided to give the 1977 Triple Crown winner a chance to prove himself again. He had a brilliant autumn, coming within an inch of sweeping Belmont Park's fall championship series.

Affirmed could have been retired after winning the 1978 Triple Crown, but came back at 4 to win the Woodward and the Jockey Club Gold Cup. Spectacular Bid could have retired in style at the

end of 1979, but returned to win all 10 of his starts as a 4-year-old.

All three had proved their quality at 3 in the Triple Crown races, but their campaigns at 4 gave them added certification of excellence and elevated them to the level of being among the best ever.

Spend a Buck's owners had already denied their colt an opportunity to bid for even the first level of that greatness by holding him out of the Preakness and the Belmont Stakes in order to cash in on a \$2.6 million jackpot in the Jersey Derby. They did it again by dodging Chief's Crown in the Travers Stakes, where their colt would not have been allowed to run on furosemide. They planned to do it yet again by passing the major fall races in New York: the final, consistent gesture is the decision not to race him at 4.

Spend a Buck's owners, sincere and likeable people and newcomers with little perspective on racing tradition, only reflect the sport's current problems. Their decision is far from the first of its kind.

In 1981, Pleasant Colony was syndicated and sent to stud at the end of his 3-year-old year amid uncertainty over the severity of a supposedly career-ending injury.

In 1982, Conquistador Cielo's career was managed for a burst of greatness that made him worth \$36 million as a stallion, and he was quickly retired after a defeat in the Travers.

In 1983, an Arab-owned colt named Shalard Dancer was syndicated for \$40 million after being retired in the midst of his 3-year-old season without proving himself the best of his crop.

In 1984, Devil's Bag was sent home with a bone chip — which would have cleared up in six months — because the syndicate that bought him had agreed not to risk devaluation by bringing him back as a 4-year-old.

The good news is that the stallion market has probably peaked. There is already a glut of overvalued stallions, and the annual foal crop is growing more quickly than the demand for horses. Perhaps in a few years, a Spend a Buck will not be worth the \$15 million to \$20 million he is commanding as a stallion, and to make him worth that much his owners would have to make him prove a lot more.

In the meantime, Spend a Buck joins the other early retirees of recent years as a question mark. Nobody will really know how good they were, whether or not they deserve mention in the same breath as Seattle Slew, Affirmed and Spectacular Bid. They never had a chance because their owners took the money instead of running them.

## SCOREBOARD

## U.S. College Team and Individual Leaders

TEAM DEFENSE	TEAM OFFENSE
Iowa	100-100
Stanford	100-100
Southern Cal.	100-100
Arizona	100-100
UCLA	100-100
UConn	100-100
Nebraska	100-100
Michigan	100-100
Illinois	100-100
Ohio State	100-100
Wisconsin	100-100
Minnesota	100-100
Georgia Tech	100-100
Florida	100-100
Alabama	100-100
Arkansas	100-100
Mississippi State	100-100
Texas Tech	100-100
Oklahoma	100-100
LSU	100-100
Auburn	100-100
South Carolina	100-100
North Carolina	100-100
Wake Forest	100-100
Duke	100-100
Virginia Tech	100-100
West Virginia	100-100
NC State	100-100
Georgia	100-100
Florida State	100-100
Mississippi State	100-100
Texas Tech	100-100
Oklahoma	100-100
LSU	100-100
Auburn	100-100
South Carolina	100-100
North Carolina	100-100
Wake Forest	100-100
Duke	100-100
Virginia Tech	100-100
West Virginia	100-100
NC State	100-100
Georgia	100-100
Florida State	100-100
Mississippi State	100-100
Texas Tech	100-100
Oklahoma	100-100
LSU	100-100
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